U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Second Annual Report

Urban Development Action Grant Program

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August 21, 1980

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

In accordance with Section 113(a)(3) of the Housing and Community Development Act of 1974, as amended, I herewith forward to you the Second Annual Report on the Urban Development Action Grant Program.

Moon Landrieu

Moon Landrieu

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EXECUTIVE SUMMARY

SECOND ANNUAL REPORT TO CONGRESS ON THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

This year's Annual Report to Congress covers Action Grant project location and characteristics, potential impacts, and progress through the end of Fiscal Year 1979.

TARGETING

- During the first two years of the Program, 382 cities received 521 Action Grant project awards in the amount of $967 million. These funds generated $5.8 billion in private sector commitment and an additional $828 million in other public funds.
- The largest proportion of Action Grant awards went to the most distressed eligible cities. When eligible cities are divided into five groups based on degree of distress, over a third of all awards went to cities in the most distressed group and over 60 percent went to cities in the top two distressed groups.
- Seventy-nine percent of Action Grant dollars flowed to metropolitan cities. The number of awards received by metropolitan cities and small cities was roughly equal.
- The number of projects funded under each of the three project types -- industrial, commercial, and neighborhood -- was nearly equal. Commercial projects received the largest share of Action Grant dollars.
- In metropolitan cities, commercial projects received over half of the Action Grant dollars. In small cities, projects and dollars were more concentrated in the industrial category.
- The distribution of Action Grant projects and dollars reflected the regional distribution of the eligible population.
- Generally, the percent of dollars received, and the average dollars per project, declined as city population size decreased.

POTENTIAL IMPACTS

- When completed, the 521 projects will have created an estimated 150,000 new permanent jobs and saved an additional 81,000 permanent jobs. In addition, the construction phase alone will have provided an estimated 135,000 jobs.

- The projects with housing components will construct or rehabilitate 46,000 units. Somewhat over half of the total units are to be rehabilitated with the balance involving new construction.

- For FY 1979 projects, total taxable property value is expected to increase by $2.9 billion, 85 percent of which will be in metropolitan cities. The estimated property tax increase in these projects is $53,000,000 which averages to $186,000 per project and $0.11 per Action Grant dollar.

- Based on available data, over half of all new permanent jobs and over four out of ten total housing units are designed for low- and moderate-income persons.

PROGRESS

- Even though the first awards were not confirmed until the middle of FY 1978, some impacts had already been generated by the end of FY 1979. In a sample of projects, about one-sixth of both planned Action Grant and private investment expenditure have taken place by the end of FY 1979.

- Over 5,500 new permanent jobs have been created, 3,500 of which went to low- and moderate-income persons.

- In a sample of projects, eight percent of all planned new permanent jobs have been created. In those projects which have begun hiring workers, almost a quarter of the planned new permanent jobs are now in place.

- Construction activity has generated almost 12,000 construction jobs. In a sample of projects, a fifth of the total planned construction jobs have been created, and almost half of the planned construction jobs have been created for projects which have begun hiring construction workers.

- More than a thousand housing units have been completed and an additional 4,000 were under construction or rehabilitation by the end of FY 1979.

- Almost $1 million in new property tax revenue had flowed to the distressed cities by the end of Fiscal Year 1979.

- In a sample of projects which have begun hiring permanent workers, over 40 percent of planned jobs for low- and moderate-income workers are in place. A fifth of the planned housing for low- and moderate-income residents in this sample is complete or under development as of the end of Fiscal Year 1979.

INTRODUCTION

INTRODUCTION

BACKGROUND

The Urban Development Action Grant Program was established by Congress in 1977. 1/ The authorizing legislation directed the Department of Housing and Urban Development (HUD) to use appropriated funds in "severely distressed cities and urban counties to help alleviate physical and economic deterioration" as evidenced by excessive housing abandonment or deterioration, population outmigration, or a stagnating or declining tax base. The symptoms of distress singled out in the authorizing legislation define a common experience in many of America's urban communities: declining employment opportunities and population and the associated problems of fiscal strain, residential abandonment, high unemployment, poverty, aging infrastructure and obsolete land use patterns. The new program was to attack these problems by restoring seriously deteriorated neighborhoods, reclaiming under-utilized real property for industrial purposes, and renewing commercial employment centers. The grants, or "supplemental assistance," were to provide the financing necessary to close the gap in planned developments and stimulate private investment which otherwise would not occur in the distressed communities.

With these statutory directives, HUD designed a program which represents a unique effort among urban economic development programs. At the heart of the Program's strategy is the concept of private-public partnership, with primary initiatives and responsibility resting on the strength of private sector commitments. To receive an Action Grant, local government jurisdictions must negotiate with the private sector to obtain a commitment of private investment funds several times that of the action grant. Action Grant partnerships insure that Federal dollars will only be advanced for projects that are privately sponsored and managed, and clearly contribute to community development by creating jobs, building and rehabilitating homes, and revitalizing outmoded facilities.

The Action Grant authorizing legislation provided the Program with $400 million in each of 1978, 1979, and 1980 fiscal years. Congress appropriated that amount in the first two years of the Program, the time period covered in this Report. At least 25 percent of each year's appropriation is to be set aside for distressed cities, i.e.,

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1/ Section 110(b) of the Housing and Community Development Act of 1977, Public Law 95-128, approved October 12, 1977, amended Title I of the Housing and Community Development Act of 1974 by adding a new Section 119 on Urban Development Action Grants.

cities with less than 50,000 population that are not central cities in Standard Metropolitan Statistical Areas (SMSAs). The remainder goes to distressed metropolitan cities and urban counties. 2/

OVERVIEW OF THE ANNUAL REPORT

The Second Annual Report focuses on Action Grant project characteristics, expected impacts, and accomplishments through the end of Fiscal Year 1979. The report is divided into two major parts: Part I, Characteristics of Urban Development Action Grant Projects; and Part II, Impacts of Urban Development Action Grants: Plans and Achievements.

Part I provides chapters that include a descriptive overview of representative projects (Chapter I); the locational distribution of awards among eligible communities (Chapter II); and the characteristics of investment incentives used in the Program (Chapter III).

Part II covers expected impacts of the Action Grant projects and progress toward achieving the impacts. Chapter IV provides estimated impacts on employment, housing, tax revenue, and low- and moderate-income persons. Chapter V parallels the previous chapter with reports on progress in attaining the estimated impacts.

METHODOLOGY

Two sources of data are used in the Second Annual Report. The first is the Action Grant history computer file which provides basic project data at the time of award announcement. This file is used to report on the amounts and distribution of all the action grants (Chapter II) and the anticipated impacts that will result from completion of all the projects (Chapter IV).

The second data source is the Grant Agreement computer file developed specifically for the Annual Report. This file provides detailed project data on a sample of 235 projects that have reached the formal grant agreement stage in the Action Grant process. These data are used to examine project characteristics in Chapter III and to provide the basis for measuring project progress in Chapter V.

2/ The authorization and appropriation for Fiscal Year 1980 was raised to $675 million. The Housing and Community Development Amendments of 1979 permit up to 20 percent of the 1980 appropriation to be used for grants to otherwise ineligible cities that contain "pockets of poverty."

PART ONE

CHARACTERISTICS OF ACTION GRANTS

CHAPTER I	Overview of the Action Grant Program
CHAPTER II	Distribution of Action Grant Awards Among Eligible Places
CHAPTER III	Financial Characteristics of Action Grant Projects

CHAPTER I

OVERVIEW OF THE ACTION GRANT PROGRAM

During its first two years, the Action Grant Program awarded over $967 million to 382 distressed cities. 1/ These awards leveraged commitments of $5.8 billion in private sector investment and $828 million in other public funds. Thus, the total planned investment in the 521 projects aided by the Program was $7.6 billion.

The investment stimulated by the awards will provide jobs, housing, infrastructure, and tax revenues for the distressed cities. When completed, the Action Grant projects will have created an estimated 150,000 new permanent jobs and saved an additional 81,000 permanent jobs. The construction phase alone will have provided an estimated 135,000 jobs. Over 20,000 new housing units will have been constructed along with the rehabilitation of an additional 27,000 units. For the FY 1979 awards alone, 2/ about $2.9 billion in property value will have been added to the tax rolls for an estimated $53 million in annual tax revenue.

Most Action Grant projects are designed to be completed in two to four years after award announcement. However, even though the first awards were not announced until the middle of FY 1978, some impacts had already been generated by the end of FY 1979. By this time, construction was under way or completed in 153 projects. This activity generated almost 12,000 construction jobs. Over 5,500 new permanent jobs were created, 3,500 of which went to low- and moderate-income persons. More than a thousand housing units were completed and an additional 4,000 units were in the process of construction or rehabilitation. Finally, almost $1 million in new property tax revenue flowed to the distressed communities.

The figures above provide a broad overview of Program expectations and accomplishments. A detailed statistical account is contained in the chapters that follow. However, the numerical data may not fully reflect the nature of the rebuilding now underway in distressed cities. To this end, the remainder of the Chapter provides a descriptive overview of representative Action Grant projects.

1/ Data in the report are based on the quarters in which projects competed for awards. Data based on quarters in which grant announcements were made show 456 projects receiving awards of $842 million.

2/ Fiscal data are not available for FY 1978 awards.

PROJECT ACTIVITIES

In cities eligible for the Program, commercial and industrial facilities, infrastructure, and housing may be old and often deteriorated or obsolete. Thus, Action Grant projects tend to involve rehabilitating existing facilities or converting them to new uses, replacing worn out infrastructure, converting land to new uses, and clearing structures for which no productive reuse can be found in order to make way for new job-creating activites.

Many projects have focused on converting old industrial areas to alternative uses. A former Ford automobile assembly plant in Somerville, Massachusetts will become Assembly Mall, a large commercial complex. Waterloo, Iowa has rehabilitated an abandoned freight depot into a restaurant and retail shop, while Hammond, Indiana will be able to install necessary improvements to transform the abandoned Erie Railroad switching yards into a residential development. An abandoned factory in Hartford, Connecticut will be converted into residential units and commercial space, as will the historic Woolen Mill in Winooski, Vermont.

Many of the property conversions represent novel recycling ideas for abandoned buildings. The former Quaker Oats Company grain silos in Akron, Ohio will be turned into a modern 260-room hotel. An incinerator building in New York City, closed for environmental reasons, will have a new commercial use. Even a vacant schoolhouse can have new life; one in Buffalo, New York will be made into residential units.

In numerous cases, the conversion of existing buildings involves the preservation of historically or architecturally interesting structures. A railroad station of historic value will be restored for use as office space in Van Buren, Arkansas. An historic post office and customs building will become part of a hotel in Evansville, Indiana. Paducah, Kentucky will assist in the rehabilitation of 26 buildings of which ten are on the National Register of Historic Places. The northern part of the Pullman Historic District in Chicago, partially abandoned, will be restored with some of its historic industrial properties converted into new housing. Among other restorations of historic properties will be those in Galveston, Texas; Richmond, Virginia; Louisville, Kentucky; and Shreveport, Louisiana.

Waterfronts in many cities, whether along an ocean, lake, or river, are blighted with the remains of earlier transportation technologies. While some Action Grant projects, such as those in Madison, Indiana and New Orleans, involve industrial reuse of waterfronts, most cities are recovering these areas as choice sites for residences, hotels and commerce. For example, an area of abandoned piers and warehouses next to downtown Norfolk, Virginia will be replaced by residential units; and, as part of Portland, Oregon's "back-to-the-city" housing strategy, 90 acres of riverfront land will be redeveloped into an in-town residential community.

Downtown commercial revival is being successfully pursued through the Program in scores of American cities. The dominant trends in American business and social life have made the retailing and service sectors the major potential source of employment for low- and moderate-income persons. One expression of these trends and the employment opportunities they generate is the greatly increased demand for convention centers and associated hotel spaces. Many old declining downtown areas which have suffered from both population loss and competition with peripheral shopping centers are finding investor interest as locations for these expanding services. In addition, Action Grant funds often supply the catalytic seed money or improvement which brings in commitments for reinvestment in retail facilities that have fallen below minimum standards for successful merchandising. Typical of the large city downtown revitalization projects is one in Charleston, West Virginia where a convention center and parking garage which are part of a new downtown regional shopping center and adjacent civic center will be constructed. In Pontiac, Michigan, the grant will assist initial components of the Pontiac Plan, a central business district concept designed to integrate pedestrian movement and automobile access.

Not all of the downtown revitalization projects are confined to the larger cities. In Stuttgart, Arkansas an Action Grant will induce 24 local businesses to make property improvements and a local bank to construct a new $2 million building. Over 50 downtown merchants in Chambersburg, Pennsylvania have agreed to improve their facilities as a result of Action Grant-financed public improvements. In Beacon, New York a grant will assist 36 local businessmen to renovate the interiors and exteriors of their Main Street shops.

Commercial revitalization is also occurring in neighborhoods where retail services have become obsolete along with the industrial base. In an era when regional shopping centers set the standard for merchandising, many city residents have abandoned their local merchants to shop in the suburbs. The poor, elderly and handicapped are often faced with inadequate neighborhood retail services. The Program is aiding a number of recapture strategies designed to create modern neighborhood shopping centers and malls. These ventures are not only promising from a commercial standpoint, but also provide new employment opportunities for neighborhood residents. In Los Angeles, a neighborhood shopping center will be constructed to serve residents of the Boyle Heights area who must now travel long distances for comparable shopping. As an added plus, approximately 90 percent of the center's jobs will be for minority residents of the neighborhood. An Action Grant in Pittsburgh will aid in the acquisition and renovation of the Stanton Heights Shopping Center, which is in extremely deteriorated condition with a vacancy rate of almost 80 percent.

Action Grant neighborhood projects also include those which provide substantial housing improvements. Often involving both new construction and rehabilitation, these projects enable many cities to extend neighborhood conservation and revitalization efforts that are currently being pursued through the Community Development Block Grant Program and Section 8 housing subsidies. An Action Grant will aid a comprehensive neighborhood revitalization project in Denver's oldest neighborhood and the cultural center of its Hispanic community. This project includes the construction and rehabilitation of some 1,900 units of housing, a new shopping center, and various public improvements. In Pittsburgh, Pennsylvania funds will be used, in part, for the rehabilitation, construction, and purchase of over 750 houses in five Northside neighborhoods, and for neighborhood amenities, such as street lighting, parking and small parks.

The Program also includes a sizeable number of industrial projects. Small city projects often involve the provision of water, sewer, and other public infrastructure designed to attract businesses to new industrial parks. Metcalf, Mississippi, for example, received funds to leverage development of a railroad spike manufacturing plant, the first industry to locate in that city. Wellington, Texas used the Action Grant Program to attract a manufacturer of ground-based disk antennas for capturing satellite programs.

Industrial projects in larger cities frequently involve modernization or expansion of existing industrial plants. Typically, firms on the verge of leaving urban locations for outlying sites agree to remain under terms worked out with Action Grant aid. St. Paul, Minnesota has developed an industrial site to enable one of the city's largest employers to move to the site and expand operations.

In Youngstown, Ohio and Cressona, Pennsylvania, plants will be reopened under the management of former employees. A burned-out glass factory in Beaver County, Pennsylvania will survive with Action Grant aid and thus a distressed area will be able to retain a major employer. The construction of energy-saving co-generating facilities will allow New York City to retain a group of high-energy use electro-plating and plastics firms.

Beyond straightforward commercial, neighborhood and industrial projects, the Program has a variety of one-of-a-kind projects that illustrate its responsiveness to special opportunities and local ingenuity. In Los Angeles, a high-rise building will be constructed specifically for the jewelry trade whose specialized firms have particularly strong security needs and benefit in a number of ways from being close to one another. Galveston, Texas will be renovating a cruise ship dock area, a project that involves the restoration of an historic opera house. Lindsay, California will get a new brine waste line to allow expansion of its olive processing industry, while Madison County, Illinois will be able to provide a special fence and security improvement required by the U.S. Bureau of Customs for creation of a foreign trade zone. Among the more imaginative projects is the Tacoma Law Center. The University of Puget Sound will move its law school from a suburban location into a set of abandoned downtown department store buildings. After renovation, the Law Center will combine the law school, a paralegal training school, a law library and a legal office building. This project will not only put idle buildings to use, but will bring more than a thousand additional people into Tacoma's central business district each day.

CHAPTER II

DISTRIBUTION OF ACTION GRANT AWARDS AMONG ELIGIBLE PLACES

Through the end of FY 1979, 382 distressed cities received 521 Action Grant awards. These grants will generate over $7.6 billion in total public and private investment. This Chapter presents the distribution of the 521 Action Grant awards, by fiscal year, in terms of the descriptive characteristics of project location. First, the distribution of awards by city type and project type is examined. For purposes of meeting the statutory requirement for the small city set-aside, communities eligible for the Program are placed in either the metropolitan city and urban county category or the small city category. 1/ Projects are classified according to the predominate nature of the project: industrial, commercial or neighborhood. 2/

1/ The term "urban county" means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and either (B) has a combined population of 200,000 or more (excluding the population of metropolitan cities therein) in such unincorporated areas and its included units of general government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community and housing assistance activities, or (C) has a population in excess of 100,000, a population of at least 5,000 persons per square mile, and contains within its boundaries no incorporated places as defined by the United States Bureau of Census. The small city category also includes eligible towns and townships.

2/ Industrial projects are those which are predominantly of a manufacturing nature. The major components of commercial projects involve retail, wholesale, and service activities. A project may be placed in the neighborhood classification if it is predominantly residential, wherever it is located; if it involves commercial activity outside an industrial park or the CBD; or if the project can be shown to concentrate its benefits to residents of a specific neighborhood, such as in the form of new permanent jobs.

Second, the distribution of awards is presented using central city, suburban, and non-metropolitan locational categories. Next, the differences in the distribution of awards among cities of different population sizes are explored. Then, the regional distribution relative to eligible population is covered. Finally, recipient communities are examined in terms of their degree of distress.

SUMMARY OF FINDINGS

Over the first two years of the Action Grant Program, the number of awards received by metropolitan cities and small cities was roughly equal. However, a substantially larger proportion of Action Grant dollars flowed to metropolitan cities. The average metropolitan city award was about three times that of the small city award.

The number of projects funded under each of the three project types -- industrial, commercial, and neighborhood -- was nearly equal. However, almost half of all Action Grant dollars went to commercial projects. The average commercial award was about twice that of either industrial or neighborhood awards.

In metropolitan cities, although commercial and neighborhood projects share about equally in the number of awards, the commercial category was dominant in dollars awarded. Industrial projects were the least important in terms of both project numbers and dollars. In contrast to metropolitan cities, small city projects and dollars were heavily concentrated in the industrial category.

Nearly half of the projects funded in FY 1979 were located in central cities of SMSAs. These projects received about three-fourths of the Action Grant dollars. Central cities emphasized commercial projects, whereas suburban communities placed greater emphasis on neighborhood projects. Cities in the non-metropolitan areas concentrated on industrial projects.

The distribution of Action Grant projects and dollars reflected the regional distribution of the eligible population. The Northeast and North Central regions shared almost equally in projects and dollars. However, the South increased its share of projects and dollars in the second fiscal year. The largest average award went to projects in the West.

A substantial proportion of the larger eligible distressed cities received action grants. For grantee cities, an almost equal proportion of awards went to each population size group. Generally, the percent of dollars received and the average dollars per project declined as population size decreased.

The largest proportion of Action Grant awards go to the most distressed eligible cities. When eligible cities are divided into five groups based on degree of distress, over a third of all awards go to cities in the most distressed group and over 60 percent go to cities in the top two distressed groups.

DISTRIBUTION OF CITY AND PROJECT TYPES

This section discusses the distribution of Action Grant projects by city type. 3/ First, the distribution of projects and Action Grant dollars among cities is examined for the two fiscal years. This is followed by a comparison of the project and dollar distribution between the three project types. Finally, the distribution of industrial, commercial, and neighborhood projects within each city type is presented.

Distribution Among City Types

Over the first two years of the Program, 521 distressed city projects received Action Grant awards. 4/ As seen in Table II-1, more projects were assisted in FY 1979 (285) than in FY 1978 (236). Over $967 million were awarded to these projects with an almost equal amount distributed in each fiscal year. The average award over the two-year period was somewhat above $1.8 million. However, since an equal amount of funds was distributed to more projects in FY 1979, the average award fell from just over $2.0 million in FY 1978 to $1.7 million in FY 1979.

Metropolitan cities accounted for 53 percent of all projects. Although more metropolitan city projects received awards in FY 1979 than in FY 1978 (146 and 131, respectively), a smaller proportion of the FY 1979 awards went to these cities. In contrast to the percentage of awards received, metropolitan city projects accounted for a large proportion of the dollars distributed (78 percent) over the two years. However, somewhat fewer dollars were received by these cities in FY 1979 than in FY 1978 and the proportion of all dollars awarded fell slightly from 80 percent to 77 percent. 5/ The average award ($2.8 million) was substantially higher than that for all cities, although this figure dropped from $3.0 million to $2.5 million between the fiscal years.

Small cities accounted for 47 percent of all Action Grant projects. These cities received more awards in FY 1979 than in FY 1978 (139 and 105, respectively) and increased their share of projects from 45 percent to 49 percent between the two fiscal years. 6/ Although

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3/ In the remainder of the Report, urban counties will be included in the term "metropolitan cities."

4/ Data on each FY 1979 award are provided in Appendix B. Similar data on FY 1978 awards were provided in the First Annual Report.

5/ In FY 1979, four awards totalling $6.3 million were made to urban counties.

6/ In FY 1978, there were three metropolitan city rounds of competition and only two small city rounds.

TABLE II-1

ACTION GRANT PROJECTS AND DOLLARS
BY CITY * TYPE AND FISCAL YEAR

City Type/ Fiscal Year	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Grant Dollars	Action Grant Dollars Per Per Project (000)
All Cities					
Total	521	100.0%	$967,496	100.0%	$1,857
FY 1978	236	45.3	489,326	50.6	2,073
FY 1979	285	54.7	478,170	49.4	1,678
Metropolitan Cities					
Total	277	53.2%	$763,401	78.9%	$2,756
FY 1978	131	55.5	393,419	80.4	3,003
FY 1979	146	51.2	369,982	77.4	2,534
Small Cities					
Total	244	46.8%	$204,094	21.1%	$ 837
FY 1978	105	44.5	95,907	19.6	913
FY 1979	139	48.8	108,187	22.6	778

* Metropolitan City category include urban counties

Source: Data Systems and Statistics Division, Office of Management, CPD

small city projects were awarded almost half of the Action Grants, they received about 21 percent of the funds. However, in contrast to metropolitan cities, small cities received more dollars in FY 1979 than in FY 1978 ($108 million and $96 million) and increased their share of dollars (from 20 percent to 23 percent) between the two years. The average award received from the small city projects was $837 thousand, about a third of that received by metropolitan city projects.

Distribution Between Project Types

Table II-2 presents the distribution of Action Grant awards between industrial, commercial, and neighborhood projects. During the first two years, the industrial category accounted for about 36 percent of all projects. Although the number of industrial projects increased from 85 in FY 1978 to 100 in FY 1979, the proportion of awards to this category remained roughly the same. Industrial projects received over $235 million in Action Grant dollars or about a fifth of the funds. There was a very slight increase in the share of dollars to this category between FY 1978 and FY 1979, going from 24 to 25 percent. The average industrial award was more than $500 thousand less than that for all projects ($1.3 million versus $1.9 million). There was little change in the average size of an award between the two fiscal years.

Commercial projects accounted for almost the same proportion of awards (34 percent) as the industrial category. The distribution of projects between fiscal years was also similar to that of the industrial category, although the proportion of awards to commercial projects fell from 36 percent to 32 percent by FY 1979. The most notable difference between the project types was in the distribution of Action Grant dollars, where almost half of all funds flowed to commercial projects. The large share of dollars, in contrast to the number of projects, resulted in an average award of $2.7 million, substantially larger than that for all project types and, in particular, than that for industrial projects.

TABLE II-2

ACTION GRANT PROJECTS AND DOLLARS
ALL CITIES BY PROJECT TYPE AND FISCAL YEARS

City Type/ Fiscal Year	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Grant Dollars	Action Gra Dollars Pe Project (000)
Industrial					
Total	185	35.5%	$235,887	24.4%	$1,275
FY 1978	85	36.0	115,573	23.6	1,360
FY 1979	100	35.1	120,314	25.2	1,203
Commercial					
Total	176	33.8%	$476,693	49.3%	$2,709
FY 1978	84	35.6	243,551	49.8	2,899
FY 1979	92	32.3	233,143	48.8	2,534
Neighborhood					
Total	160	30.7%	$254,915	26.3%	$1,593
FY 1978	67	28.4	130,202	26.6	1,943
FY 1979	93	32.6	124,713	26.0	1,341
All Projects					
Total	521	100.0%	$967,495	100.0%	$1,857
FY 1978	236	100.0%	489,326	100.0	2,073
FY 1979	285	100.0%	478,170	100.0%	1,678

Source: Data Systems and Statistics Division,
Office of Management, CPD

Neighborhood projects, in comparison to the other two categories, received a smaller proportion of total awards (31 percent) but increased their share of awards between FY 1978 and FY 1979 from 28 percent to 33 percent. Twenty-six percent of all Action Grant funds flowed to neighborhood projects, about the same as that received by the industrial category, but almost half that received by the commercial projects. There was practically no change in this share between the two fiscal years. The average award to this category was $1.6 million, slightly above that for industrial projects but well below the average award to commercial projects. Unlike the pattern between fiscal years for the other two categories, the average award dropped from $1.9 million in FY 1978 to $1.3 million in FY 1979.

Distribution of Projects Within Metropolitan Cities

The distribution of industrial, commercial, and neighborhood projects within metropolitan cities is shown in Table II-3. Industrial projects accounted for a relatively small proportion (22 percent) of the 277 metropolitan city projects. Both the number of projects and the proportion of total projects decreased between the fiscal years. Similarly, only 17 percent of metropolitan city Action Grant dollars went to industrial projects, with a slight decrease from 18 percent to 16 percent between FY 1978 and FY 1979. The average award for these projects was $2.1 million, about $600 thousand less than the average award for all metropolitan city projects. There was little change in the average award between the two fiscal years.

In contrast, commercial projects accounted for 40 percent of the projects and fully 56 percent of all metropolitan city dollars. Although the share of projects remained about the same between fiscal years, the proportion of total dollars received by commercial projects increased a bit from 54 to 57 percent. The average size commercial award ($3.8 million) was substantially greater than that of the industrial category, although the average award decreased by $300 thousand between FY 1978 and FY 1979.

Neighborhood projects received a slightly smaller proportion of awards than commercial projects over the first two years; however, both categories received approximately the same proportion of FY 1979 awards. Between FY 1978 and FY 1979, neighborhood projects increased their share of awards from 34 percent to 40 percent. These projects received approximately half the dollars received by commercial projects, but in spite of increasing their share of projects between the fiscal years, their proportion of total metropolitan city dollars remained about the same. The average neighborhood award was $2.0 million, about equal to that of the industrial category, but over $1.7 million less than that of the commercial category. The neighborhood category experienced the largest decrease of the three in average award between fiscal years (from $2.4 million to $1.7 million).

TABLE II-3

ACTION GRANT PROJECTS AND DOLLARS
METROPOLITAN CITIES
BY PROJECT TYPE AND FISCAL YEAR

Project Type/ Fiscal Year	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Grant Dollars	Action Grant Dollars Per Project (000)
Industrial					
Total	61	22.0%	$132,638	17.4%	$2,174
FY 1978	32	24.4	72,220	18.4	2,257
FY 1979	29	19.9	60,417	16.3	2,083
Commercial					
Total	112	40.4%	$424,501	55.6%	$3,790
FY 1978	54	41.2	213,152	54.2	3,947
FY 1979	58	39.7	211,349	57.1	3,644
Neighborhood					
Total	104	37.6%	$206,262	27.0%	$1,983
FY 1978	45	34.4	108,047	27.5	2,401
FY 1979	59	40.4	98,216	26.6	1,665
All Projects					
Total	277	100.0%	$763,401	100.0%	$2,756
FY 1978	131	100.0%	393,419	100.0%	3,003
FY 1979	146	100.0%	369,982	100.0%	2,534

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Distribution of Projects Within Small Cities

The distribution of project types within small cities presents a significantly different pattern from that found in metropolitan cities. As shown in Table II-4, industrial projects were the predominant category in small cities, whereas they were the least funded category in metropolitan cities. Industrial projects accounted for half of the 244 projects and half of the $205 million awarded to these cities. Although the proportion of industrial projects receiving Action Grants remained the same between the fiscal years, the share of dollars increased from 45 percent in FY 1978 to 55 percent in FY 1979. The average industrial award, at $833 thousand, was almost the same as the average award going to all small city projects.

TABLE II-4

ACTION GRANT PROJECTS AND DOLLARS
SMALL CITIES
BY PROJECT TYPE AND FISCAL YEAR

Project Type/ Fiscal Year	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Dollars(000)	Action Grant Dollars Per Project (000)
Industrial					
Total	124	50.8%	$103,249	50.6%	$ 833
FY 1978	53	50.5	43,353	45.2	818
FY 1979	71	51.0	59,896	55.4	844
Commercial					
Total	64	26.2%	$ 52,192	25.6%	$ 816
FY 1978	30	28.6	30,398	31.7	$1,013
FY 1979	34	24.5	21,794	20.1	641
Neighborhood					
Total	56	23.0%	$ 48,653	23.8%	$ 869
FY 1978	22	20.9	22,156	23.1	$1,007
FY 1979	34	24.5	26,497	24.5	779
ALL PROJECT TYPES					
Total	244	100.0%	$204,094	100.0%	837
FY 1978	105	100.0	95,907	100.0	913
FY 1979	139	100.0	108,187	100.0	778

SOURCE: Data Systems and Statistics Division
Office of Management, CPD

Commercial projects ranked well below industrial projects in both the number of projects and Action Grant dollars. Commercial projects accounted for roughly a fourth of small city projects and dollars over the first two years of the Program. Commercial projects became of even less importance between the two fiscal years, dropping from 29 percent to 25 percent in the share of projects, and particularly, from 32 percent to 20 percent in the share of dollars. Although the average commercial award was roughly equal to that of the industrial category, unlike the latter category, the average award dropped from over $1.0 million in FY 1978 to $640 thousand in FY 1979.

Neighborhood projects also ranked well below industrial projects in number of projects and amount of dollars, but shared about equally with the commercial category. Over the first two years, neighborhood projects accounted for 23 percent of the projects and 24 percent of the dollars. However, unlike the commercial category, neighborhood projects increased their share of both projects and dollars between FY 1978 and FY 1979. In fact, for FY 1979 awards, both categories shared equally in the number of projects while neighborhood projects received about a fourth of the dollars compared to only a fifth for the commercial category. The average neighborhood award was not much different from that of the other two categories ($869 thousand). However, the average award dropped between the two fiscal years by about the same as that experienced by the commercial projects.

DISTRIBUTION BY CENTRAL CITY, SUBURBAN, AND NON-METROPOLITAN LOCATIONS

As an alternative to the previous discussion of locational distribution by metropolitan and small cities, this section examines the flow of projects and dollars to central cities of SMSAs, metropolitan suburban communities, and non-metropolitan areas. Each location, in turn, is discussed in terms of the magnitude of its participation and the allocation of projects in industrial, commercial and neighborhood categories. Table II-5 presents the distribution among the three locations for FY 1979, the only year for which data are available.

Central Cities

As seen in the Table, 46 percent of the 285 FY 1979 projects were in central cities. These projects received a large proportion (73 percent) of the $478 million awarded in that year. The average award of $2.7 million in these cities was almost $1.0 million higher than the average award for all projects.

Within these central cities, commercial and neighborhood projects received an equal number of grants (53), while industrial projects received less than half that number (25). However, the distribution of Action Grant dollars reflected the dominance of commercial projects in central cities, with 58 percent of the funds flowing to these projects compared with 26 percent and 16 percent to neighborhood and industrial projects, respectively. Central city commercial projects also received the highest average award, more than twice that of neighborhood projects and almost twice that of the industrial category.

TABLE II-5

URBAN DEVELOPMENT ACTION GRANT PROJECTS AND DOLLARS CENTRAL CITY, SUBURBAN, AND NON-METROPOLITAN LOCATION BY PROJECT TYPE, FISCAL YEAR 1979 PRELIMINARY AWARDS

Location/ Project Type	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Dollars(000)	Action Grant Dollars Per Project (000)
Central City					
Industrial	25	19.0%	$ 55,529	15.9%	$ 2,221
Commercial	53	40.5	202,958	58.1	3,829
Neighborhood	53	40.5	90,970	26.0	1,716
Total	131 (46.0%)	100.0%	$349,457 (73.1%)	100.0%	$ 2,668
Suburban					
Industrial	14	29.8%	$ 17,446	35.7%	$ 1,246
Commercial	14	29.8	10,919	22.3	780
Neighborhood	19	40.4	20,512	42.0	1,080
Total	47 (16.5%)	100.0%	$ 48,877 (10.2%)	100.0%	$ 1,192
Non-Metropolitan					
Industrial	61	57.0%	$ 47,339	59.3%	$ 776
Commercial	25	23.4	19,265	24.1	771
Neighborhood	21	19.6	13,231	16.6	630
Total	107 (37.5%)	100.0%	$ 79,835 (16.7%)	100.0%	$ 747
All Locations					
Industrial	100		$120,314		$1,203
Commercial	92		233,143		2,534
Neighborhood	93		124,713		1,341
Total	285 (100%)		$478,169 (100.0%)		$ 1,678

Source: Data Systems and Statistics Division,
Office of Management, CPD

Suburban Communities

Suburban communities received far fewer project awards than central cities (47 versus 131), and account for only 16.5 percent of the FY 1979 projects. These communities received an even smaller proportion of Action Grant dollars (10 percent). The suburban project average award was substantially smaller than that of the central city projects with an average of $1.2 million compared to the $2.7 million for central cities.

The pattern of project distribution within suburban communities was substantially different from that found in central cities. There was a much closer distribution among project types in terms of number of projects, with 30 percent awarded to each of the industrial and commercial categories and 40 percent to the neighborhood category. Also, in contrast to the importance of commercial projects in central cities, 42 percent of the Action Grant dollars were awarded to suburban neighborhood projects, while 36 percent went to industrial projects and only 22 percent to the commercial category. Commercial projects received the smallest average award within suburban areas ($780 thousand); this average award was only one-fifth the size of that going to central city commercial projects.

Non-Metropolitan Areas

Cities in non-metropolitan areas received more than twice the number of project awards as suburban communities and a somewhat smaller number than central cities. About 38 percent of all projects were located in these areas. Non-metropolitan projects accounted for more of the Action Grant dollars (17 percent) than suburban communities. However, the average award to these projects was somewhat smaller than that of the suburban projects and about one-fourth as large as that of central city projects.

Within these non-metropolitan areas, the pattern of project distribution was quite different from that of either central cities or suburban communities. Industrial projects were dominant, accounting for 57 percent of the non-metropolitan projects. Sixty-one of the 100 FY 1979 industrial projects were located in these areas. Commercial projects accounted for 23 percent of the projects, and neighborhood projects, only 20 percent. This same pattern was reflected in the distribution of Action Grant dollars among the project types, with 59 percent received by industrial, 24 percent by commercial, and only 17 percent by neighborhood projects. Although there was little variation among non-metropolitan project types with respect to average awards, all types had awards smaller on average than those in the other two locations.

REGIONAL DISTRIBUTION

This section examines still another way of viewing the locational distribution of the Action Grant Program, that of the four major census regions. First, the percentage of eligible population in each region is compared to the percentage distribution of projects and Action Grant dollars among the regions. Then, the distribution of projects and dollars among the regions, by fiscal year, is presented.

Distribution to Eligible Population

As shown in Table II-6, except for the West, there was a fairly equal distribution of population among the regions. About 28 percent of the eligible population resided in each of the Northeast and North Central regions, while 30 percent resided in the South, and the West, with 14 percent, had the smallest proportion of the eligible population.

Table II-6

REGIONAL DISTRIBUTION
URBAN DEVELOPMENT ACTION GRANTS
PROJECTS AND DOLLARS
FY 1978 AND FY 1979 CUMULATIVE

Regional	Eligible Population*	Percent Total Eligible Population	Number of Projects	Percent of Total Projects	Action Grant Dollars (000)	Percent of Action Grant Dollars
Northeast	22,792,874	28.1%	179	34.4%	$305,405	31.6%
North Central	22,394,127	27.6	171	32.8	314,575	32.5
South	24,557,155	30.2	125	24.0	235,740	24.4
West	11,450,145	14.1	46	8.8	111,775	11.5
Total	81,194,301	100.0%	521	100.0%	$967,495	100.0%

* Cities, towns and urban counties on the HUD eligibility lists.

Source: Data Systems and Statistics Division, Office of Administration, CPD

Over the two years of the Program, the distribution of awards among the regions reflected this regional distribution of the eligible population. The Northeast, with 28 percent of the eligible population, received 36 percent of all Action Grant projects and 32 percent of total Action Grant dollars. The North Central region showed a similar pattern. This region, also with 28 percent of the population, received 33 percent of both projects and dollars. The South had a somewhat higher percentage of the eligible population (30 percent) than the previous two regions, but received a smaller proportion of the projects and dollars (24 percent each). The West, with the smallest eligible population (14 percent), received the smallest proportion of projects (9 percent) and dollars (12 percent).

Distribution by Fiscal Years

The regional distribution for the two fiscal years is presented in Table II-7. As seen in the Table, the Northeast received overall about 35 percent of the project awards, with little variation between Fiscal Years 1978 and 1979. About 32 percent of the Action Grant dollars flowed to this region, although this proportion declined somewhat (from 33 percent to 30 percent) between the fiscal years. The average award in the Northeast was $1.7 million, close to the average for all projects in the Program ($1.9 million). However, the average award decreased from about $2.0 million in FY 1978 to $1.5 million in FY 1979.

TABLE II-7

ACTION GRANT PROJECTS AND DOLLARS

CENSUS REGION DISTRIBUTION BY FISCAL YEAR

Census Region/ Fiscal Year	Number of Projects	Percent of Projects	Action Grant Dollars (000)	Percent of Action Dollars(000)	Action Grant Dollars Per Project (000)
Northeast					
Total	179	34.4%	$305,405	31.6%	$1,706
FY 1978	83	35.2	161,683	33.1	1,948
FY 1979	96	33.7	143,723	30.1	1,497
North Central					
Total	171	32.8%	$314,575	32.5%	$1,839
FY 1978	77	32.6	145,209	29.7	1,886
FY 1979	94	33.0	169,366	35.4	1,802
South					
Total	125	24.0%	$235,740	24.4%	$1,886
FY 1978	50	21.2	112,742	23.0	2,255
FY 1979	75	26.3	122,999	25.7	1,640
West					
Total	46	8.8%	$111,775	11.5	$2,429
FY 1978	26	11.0	69,692	14.2	2,680
FY 1979	20	7.0	42,082	8.8	2,104
All Regions					
Total	521	100.0%	$967,495	100.0%	$1,857
FY 1978	236	100.0	489,326	100.0	2,073
FY 1979	285	100.0	478,170	100.0	1,678

Source: Data Systems and Statistics Division,
Office of Administration, CPD

The North Central region displayed results similar to those of the Northeast with respect to the proportion of projects. This region received about a third of the project awards, with again, little variation between fiscal years. About a third of the dollars also flowed to the region, but, in contrast to the Northeast, the proportion increased between the fiscal years, rising from 30 percent to FY 1978 to 35 percent in FY 1979. The average award size was $1.8 million, close to that of the Northeast and all projects.

The South had a smaller proportion of total projects (24 percent) than the previous two regions. However, this proportion rose from 21 percent in FY 1978 to 26 percent in FY 1979. This region also received about 24 percent of the Action Grant dollars, with little variation between fiscal years. The average award size was about the same as that found in the Northeast and North Central regions ($1.9 million). However, similar to the change in the Northeast, the average award fell from $2.3 million in FY 1978 to $1.6 million in FY 1979.

The West had magnitudes and patterns quite dissimilar to the other three regions. This region received nine percent of the awards, with the figure dropping from 11 percent to seven percent between the fiscal years. Action Grant dollars flowing to this region over the two-year period were 11.5 percent of the total. The West experienced a drop in this proportion between the fiscal years from 14 percent in FY 1978 to 9 percent in FY 1979. However, the largest average awards went to this region ($2.4 million). The West still received the largest average awards in FY 1979, even though this figure dropped from $2.7 million in FY 1978 to $2.1 million in FY 1979.

DISTRIBUTION BY POPULATION SIZE

This section describes the distribution of Action Grant projects and dollars in terms of location among cities of different population size. First, the proportion of eligible cities within each population size receiving Action Grants is presented. Next, the distribution of Action Grant projects and dollars among cities of different population size is compared by fiscal year. Finally, the distribution of multiple-award cities by population size is examined.

Distribution of Awards to Eligible Cities

A comparison of eligible cities and award cities, by population size, is presented in Table II-8. By the end of FY 1979, a substantial proportion of the larger eligible distressed cities received Action Grants. A little over 80 percent of eligible cities with population in excess of a quarter million received awards. For the other population size groups, the proportion of eligible cities receiving awards declined rapidly from 64 percent of those in the 100,000 to 249,999 group down to a little over one percent of those cities in the smallest category. Overall, almost four percent of all eligible cities received awards.

TABLE II-8

ACTION GRANT POPULATION DISTRIBUTION OF ELIGIBLE AND AWARD CITIES

FISCAL YEARS 1978 AND 1979

Population Size	Eligible Cities*	Award Cities	Percent of Eligible Cities With Award
Over 500,000	16	13	81.3%
250,000-500,000	29	24	82.8
100,000-249,999	72	46	63.9
50,000- 99,999	137	51	37.2
25,000-49,999	206	54	26.2
10,000-24,999	416	65	15.6
Under 10,000	9,359	129	1.4
Total	10,235	382	3.7%

* Includes twelve urban counties:

five in the 250,000-500,000 category and seven in the 100,000-249,000 category. In FY 1979, one award was made in the former category and three in the latter.

Source: Data Systems and Statistics Division, Office of Administration, CPD

Distribution by Population Size

The distribution of Action Grant projects among different city size groups is presented in Table II-9. An almost equal proportion of projects was awarded to each population size group. With only one exception, each group received approximately 12 to 13 percent of the projects. The exception was those cities under 10,000 population, which received 20 percent of the awards. Little change occurred in this pattern between fiscal years.

TABLE II-9

ACTION GRANT PROJECTS

POPULATION DISTRIBUTION OF AWARD CITIES BY FISCAL YEAR

	Number of Projects			Percent of Projects		
Population Size	Total	FY 1978	FY 1979	Total	FY 1978	FY 1979
Over 500,000	60	25	35	11.5%	10.5%	12.3%
250,000-500,000	63	26	37	12.1	11.0	13.0
100,000-249,999	64	30	34	12.3	12.7	11.9
50,000-99,999	67	34	33	12.9	14.4	11.6
25,000-49,999	61	33	28	11.7	14.0	9.8
10,000-24,999	70	32	38	13.4	13.6	13.3
Under 10,000	136	56	80	26.1	23.7	28.1
Total	521	236	285	100.0%	100.0%	100.0%

Source: Data Systems and Statistics Division,
Office of Administration, CPD

In contrast, there was a decline in the proportion of dollars received as population size decreased. As shown in Table II-10, the percentage of dollars received ranged from 22 percent to 9 percent, with cities over a quarter million population receiving 42 percent of all dollars. However, as with the distribution of projects, little change occurred in the distribution of dollars between fiscal years.

The pattern of decline with smaller populations also occurred with respect to the average project award, ranging from over $3.0 million for the larger cities down to under $1.0 million for the smaller ones.

In terms of changes between fiscal years, some declines occurred in the two largest population groups (e.g., from $3.8 million to $2.9 million for the largest population group).

TABLE II-10

ACTION GRANT DOLLARS

POPULATION DISTRIBUTION OF AWARD CITIES BY FISCAL YEAR

	Action Grant Dollars (000)			Percent of Action Grant Dollars			Action Grant Dollars Per Project	
Population Size	Total	FY 1978	FY 1979	Total	FY 1978	FY 1979	Total	FY 1978
Over 500,000	$196,416	$ 96,016	$100,400	20.3%	19.6%	21.0%	$3,273	$3,840
250,000-500,000	213,650	109,054	104,596	22.1	22.3	21.9	3,391	4,194
100,000-249,999	156,650	73,437	83,213	16.2	15.0	17.4	2,448	2,448
50,000-99,999	147,026	84,160	62,866	15.2	17.2	13.1	2,194	2,475
25,000-49,999	102,725	53,193	49,532	10.6	10.9	10.4	1,684	1,612
10,000-24,999	68,854	41,533	27,321	7.1	8.5	5.7	984	1,298
Under 10,000	82,184	31,942	50,242	8.5	6.5	10.5	604	570
Total	$967,505	$489,336	$478,169	100.0%	100.0%	100.0%	$1,857	$2,073

Source: Data Systems and Statistics Division
Office of Administration, CPD

Multiple-Award Cities

Table II-11 presents the distribution of multiple-grant cities by population size. In general, larger cities are more likely to receive multiple awards. Only 18 of the 248 grantee cities with populations below 50,000 received two awards each, whereas 46 of the 134 larger cities received at least two. The average number of awards per city in each population group declined steadily from nine for the largest group down to two for all population groups below 50,000 population.

TABLE II-11

CITIES WITH MULTIPLE GRANTS BY POPULATION SIZE

FISCAL YEARS 1978 AND 1979

Population Size	Grant Award Cities	Multiple Award Cities	Number of Awards	Number of Awards Per City
Over 1,000,000	4	3	27	9.0
500,000-1,000,000	9	8	30	3.8
250,000-499,999	24	15	52	3.5
100,000-249,999	46	9	24	2.7
50,999- 49,999	51	11	26	2.4
Under 50,000	245	18	36	2.0

Source. Data Systems and Statistics Division,
Office of Management, CPD

DISTRIBUTION BY DEGREE OF CITY DISTRESS

This section examines the distribution of Action Grant projects by the degree of distress of the grantees. In the Action Grant awards selection process, eligible metropolitan cities are ranked by two separate measures of distress: the impaction rank and the distress rank. Eligible small cities are ranked separately from metropolitan cities and, because of the lack of data, only the impaction measure is used. The impaction rank is determined by a weighted index of three factors: age of housing stock; poverty; and population growth/lag. The distress rank is determined by an index based on per capita income, unemployment, and job lag/decline.

Table II-12 presents the distribution of metropolitan city projects by quintile rank (a division of rankings into fifths). All eligible metropolitan cities are divided into five equal groups. The 20 percent most impacted or distressed eligible cities are placed in quintile I and the 20 percent least impacted or distressed in quintile V.

Table II-12 thus compares the range of impaction or distress of the awarded projects with that of the eligible cities.

TABLE II- 12

METROPOLITAN CITY PROJECTS QUINTILE DISTRIBUTION
BY
IMPACTION AND DISTRESS RANKS OF CITIES
BY
FISCAL YEAR

QUINTILE	IMPACTION RANK			DISTRESS RANK		
	Cumulative	FY 1978	FY 1979	Cumulative	FY 1978	FY 1979
I Projects	102	49	53	90	40	50
Percent	36.8%	37.4%	36.3%	32.5%	30.5%	34.3%
II Projects	83	34	49	84	40	44
Percent	30.0%	25.9%	33.6%	30.2%	30.5%	30.1%
III Projects	48	26	22	47	23	24
Percent	17.3%	19.9%	15.1%	17.0%	17.6%	16.4%
IV Projects	25	12	13	38	22	16
Percent	9.0%	9.2%	8.9%	13.7%	16.8%	11.0%
V Projects	19	10	9	18	6	12
Percent	6.9%	7.6%	6.2%	6.5%	4.6%	8.2%
TOTAL						
Projects	277	131	146	277	131	146
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Data Systems and Statistics Division
Office of Administration, CPD

As seen in the Table, 37 percent of the awards went to eligible cities in the most impacted quintile (i.e., 37 percent went to the 20 percent most impacted cities) and an additional 30 percent of the awards were received by cities in the next most impacted group. The percentage of projects in subsequent quintiles fell rapidly with only 17 percent in the third quintile, nine percent in the fourth, and seven percent in the least impacted 20 percent of eligible metropolitan cities. There was little change in this pattern for projects awarded grants in each of the two fiscal years except that a somewhat larger percentage of projects was to be found in the first two quintiles in FY 1979 than in FY 1978 (70 percent versus 63 percent, respectively).

The pattern of distribution for metropolitan cities shown by application of the distress rank is about the same as that shown for the impaction rank. About a third of the awards fell in the first quintile with another 30 percent in the second quintile. The subsequent quintiles received 17, 14, and 7 percent, respectively. Once again, there was little discernible change between the distribution of FY 1978 and FY 1979 awards.

Table II-13 presents the small city distribution of projects by city impaction rank. The results are similar to those found for metropolitan cities. Thirty-eight percent of the projects went to cities in the most impacted quintile, with an additional 22.5 percent of the projects going to cities in the next most impacted group. The remaining projects were fairly evenly distributed among the remaining three quintiles with 12 percent in the third quintile, 14 percent in the fourth, and 13 percent in the least impacted 20 percent of eligible small cities. As with metropolitan cities, there was little change between the distribution of FY 1978 and FY 1979 awards.

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TABLE II-13

SMALL CITY PROJECTS QUINTILE DISTRIBUTION
BY
IMPACTION RANK OF CITIES
BY
FISCAL YEAR

	IMPACTION RANK		
QUINTILE	Cumulative	FY 1978	FY 1979
I Projects	93	39	54
Percent	38.1%	37.1%	38.8%
II Projects	55	26	29
Percent	22.5%	24.8%	20.9%
III Projects	30	12	18
Percent	12.3%	11.4%	12.9%
IV Projects	35	14	21
Percent	14.3%	13.3%	15.1%
V Projects	31	14	17
Percent	12.7%	13.3%	12.2%
TOTAL			
Projects	244	105	139
Percent	100.0%	100.0%	100.0%

Source: Data Systems and Statistics Division
Office of Administration, CPD

CHAPTER III

FINANCIAL CHARACTERISTICS OF ACTION GRANT PROJECTS

This chapter discusses the financial components of Action Grant projects. 1/ These components (as well as their sub-components, sources, and uses where data are available) are presented under three major headings: private sector financing, non-Action Grant public sector financing, and Action Grant public sector financing. For each of these categories, major patterns and variations are noted for project types (industrial, commercial, and neighborhood) and for project locations (metropolitan and small cities).

SUMMARY OF FINDINGS

Private sector financing makes up by far the largest component of Action Grant projects, accounting for about four-fifths of all funding. Most of the private sector participation is in the form of investments with market rates of return. A small proportion represents loans with government subsidized interest rates.

Action Grant financing dominates public sector participation in Action Grant projects, accounting for about two-thirds of it. Local governments and non-Action Grant Federal agencies are the most important source of other public sector financing. State governments are a relatively unimportant source.

Action Grant financing is used principally to provide direct incentives to investment and infrastructure. These two uses are of approximately equal importance. The most important components of direct incentives are loans and land value writedowns. The most important items of infrastructure financed from Action Grants are streets, parking facilities and water and sewer lines.

OVERVIEW OF FINANCIAL CHARACTERISTICS

Table III-1 summarizes the financial characteristics of Action Grant projects in terms of the contributions derived from private sector investment, non-Action Grant public sector investment, and Action Grant public sector investment.

1/ All data in this chapter are based on the 235 Grant Agreement sample. (See Appendix C.) Because these are sample data, emphasis is placed on percentage relationships rather than aggregate figures.

The data show that the predominant share of project investment is derived from the private sector. For all types of Action Grant projects combined (industrial, neighborhood, commercial), the proportion of project funding derived from the private sector is 81 percent. Of the remaining 19 percent, about six percent is provided through non-Action Grant public sources (Federal, State, and local) and 13 percent through Action Grant funding.

This basic pattern is roughly similar for each project type. Funding derived from private sources ranges from a low of 76 percent for neighborhood projects to a high of 86 percent for industrial projects. Non-Action Grant public sector funding ranges from a low of about three percent for industrial projects to a high of eight percent for commercial projects. Action Grant funding is about 12 percent for industrial and commercial projects, but rises to 17 percent for neighborhood projects.

PRIVATE SECTOR FINANCING

This Section presents a detailed discussion of private sector financing. The discussion proceeds by making progressively finer disaggregations of funding sources. Private investment is first presented in terms of its unsubsidized and subsidized components. Subsidized investment is then discussed in terms of the level of government (Federal, State, local) from which the subsidy is derived. Finally, subsidized investment supported by the Federal government is analyzed in terms of the agency or program which supports it.

Private Investment: Unsubsidized and Subsidized

Private investment can be discussed in terms of two broad categories: unsubsidized and subsidized. Unsubsidized investment is defined to include equity capital and loans bearing market rates of return. As shown in Table III-1, this type of private investment makes up about 75 percent of total project funding. Subsidized investment is defined to include loans bearing below market interest rates. 2/

2/ For the purposes of this discussion, Action Grant funds used to make loans to private developers are not included as subsidized private investment. Such loans are discussed instead in conjunction with the detailed discussion of Action Grant financing later in this Chapter.

TABLE III-1

URBAN DEVELOPMENT ACTION GRANT PROJECT FINANCIAL STRUCTURE BY PROJECT TYPE

THE 235 GRANT AGREEMENT PROJECTS

	TOTAL N = 235			INDUSTRIAL N = 99			COMMERCIAL N = 69			NEIGHBORHOOD N = 67		
	Total Dollars (000)	Average Dollars (000)	Per-Cent	Total Dollars (000)	Average Dollars (000)	Per-Cent	Total Dollars (000)	Average Dollars (000)	Per-Cent	Total Dollars (000)	Average Dollars (000)	Per-Cent
PRIVATE SECTOR												
Unsubsidized (Equity & Market Rate Loans)	$2,308,321	$9,823	74.5	$877,852	$8,867	77.3	$ 997,850	$14,462	75.6	$432,619	$6,457	67.0
Subsidized (Non-UDAG, Federal State, Local	203,918	868	6.6	94,338	953	8.3	52,136	756	4.0	57,444	857	8.9
TOTAL	$2,512,239	$10,691	81.1	$972,190	$9,820	85.6	$1,049,986	$15,218	79.6	$490,063	$7,314	75.9
NON-UDAG PUBLIC SECTOR												
Federal Grants	$ 63,016	$ 268	2.0	$ 18,545	$ 187	1.6	$ 20,659	$ 299	1.6	$ 23,812	$ 355	3.7
State Grants	16,671	71	.5	6,977	70	.6	6,862	99	.5	2,832	42	.4
Local Grants	106,975	455	3.5	13,502	136	1.2	74,799	1,084	5.7	18,674	279	2.9
TOTAL	$ 186,662	$ 794	6.0	$ 39,024	$ 394	3.4	$ 102,320	$1,482	7.8	$ 45,318	$ 676	7.0
UDAG PUBLIC SECTOR												
Direct Incentiles												
Loans	$ 88,067	$ 375	2.8	$ 31,587	$ 319	2.8	$ 34,558	$ 501	2.6	$ 21,922	$ 327	3.4
Other	111,047	471	3.6	30,915	312	2.7	42,626	618	3.2	37,506	560	5.8
Indirect	184,090	783	5.9	55,379	559	4.9	82,489	1,195	6.3	46,222	690	7.2
(Infrastructure)												
	18,167	77	.6	6,428	65	.6	7,433	108	.6	4,306	64	.7
TOTAL	$ 401,371	$ 1,708	12.9	$124,309	$1,256	11.0	$ 167,106	$2,422	12.7	$109,956	$1,641	17.1
GRAND TOTAL	$3,100,272	$13,193	100.0	$1,135,523	$11,470	100.0	$1,319,412	$19,122	100.0	$645,337	$9,637	100.0

SOURCE: Urban Studies Division, Office of Evaluation, CPD

Typical examples of such subsidized investment include industrial revenue bonds and loans guaranteed by the Economic Development Administration, Small Business Administration, or Farmers Home Administration. This type of private investment accounts for about seven percent of total project funding (Table III-1).

Variation Among City Types. As Table III-2 shows, private sector investment is predominantly made up of unsubsidized contributions. For all projects combined, 92 percent of the investment provided through private sources was in the form of unsubsidized funding, and eight percent in the form of subsidized funding. The same basic pattern is evident for metropolitan city projects (91 percent unsubsidized private investment and nine percent subsidized), and small city projects (94 percent unsubsidized private investment and 6 percent subsidized).

Table III-2

PRIVATE SUBSIDIZED AND UNSUBSIDIZED INVESTMENT BY CITY TYPE

THE 235 GRANT AGREEMENTS SAMPLE

City Type	Unsubsidized Private		Subsidized Private		Total Private	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
ALL CITIES	$2,308,321 (100.0%)	91.9%	$203,918 (100.0%)	8.1 %	$2,512,239 (100.0%)	100.0%
METROPOLITAN CITIES	1,555,800 (67.4)	90.9	155,598 (76.3)	9.1	1,711,398 (68.1)	100.0
SMALL CITIES	752,521 (32.6)	94.0	48,320 (23.7)	6.0	800,841 (31.9)	100.0

Source: Urban Studies Division,
Office of Evaluation, CPD

Variation Among Project Types. The proportions of unsubsidized and subsidized investment vary somewhat more among project types than city types (Table III-3). Commercial projects have higher percentages of unsubsidized investment (95%) and lower percentages of subsidized (5%) than is the case for all projects combined. Neighborhood projects reverse these relationships: the percentage of unsubsidized investment lower (88%) and the percentage of subsidized higher (12%). Industrial projects follow the pattern for all projects combined.

Table III- 3

PRIVATE SUBSIDIZED AND UNSUBSIDIZED
INVESTMENT BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Unsubsidized Private		Subsidized Private		Total Private	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
INDUSTRIAL	$877,852 (38.0%)	90.3 %	$94,338 (46.3%)	9.7%	$972,190 (38.7%)	100.0%
COMMERCIAL	997,850 (42.4)	95.0	52,136 (25.6)	5.0	1,049,986 (41.8)	100.0
NEIGHBORHOOD	432,619 (19.6)	88.3	57,444 (28.1)	11.7	490,063 (19.5)	100.0
TOTAL	$2,308,321 (100.0%)	91.9%	$203,918 (100.0%)	8.1%	$2,512,239 (100.0%)	100.0%

Source: Urban Studies Division,
Office of Evaluation, CPD

Government Sources of Subsidized Private Loans

All three levels of government provide subsidies to facilitate private sector borrowing, principally in the form of industrial revenue bonds at the local and State levels, 3/ and loan guarantees at the Federal level. In all, government subsidized private investment makes up about seven percent of total project funding (Table III-1).

Variation Among City Types. Table III-4 shows the distribution of government subsidized investment by city type. For all projects combined, local government supports the largest share of subsidized investment (49 percent), State government the next largest share (30 percent) and non-Action Grant Federal agencies the smallest (21 percent). This pattern of subsidization differs somewhat

TABLE III- 4

GOVERNMENT SOURCES OF SUBSIDIZED PRIVATE LOANS, BY CITY TYPE

THE 235 GRANT AGREEMENTS STUDY

	Federal		State		Local		Total	
City Type	Dollar	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
All Cities	$42,877 (100.0%)	21.0%	$61,828 (100.0%)	30.3%	$99,213 (100.0%)	48.7%	$203,918 (100.0%)	100%
Metropolitan Cities	34,550 (80.6%)	22.2	56.580 (91.5%)	36.4	64,468 (65.0%)	41.4	155,598 (76.3%)	100
Small Cities	8,327 (19.4%)	17.2	5,248 (8.5%)	10.9	34,745 (35.0%)	71.9	48,320 (23.7%)	100

Source: Urban Studies Division
Office of Evaluation
CPD

3/ The actual subsidy from industrial revenue bonds is provided through interest rate tax exemption in the Federal Internal Revenue Code.

by the type of city. Among metropolitan cities, local subsidies are still the largest source of support (41 percent), but State subsidies are almost equal in magnitude (36 percent). Among small cities, local subsidies are not only the largest source of government subsidy support, they support a dramatically high proportion of all subsidized investment (72 percent, 31 percentage points higher than in metropolitan cities); State subsidies, on the other hand, are at a significantly lower level than in metropolitan cities. They support only 11 percent of all subsidized investment (25 percentage points less than in metropolitan cities).

Variation Among Project Types. The pattern of subsidization for industrial and commercial projects is generally similar to that for all projects combined (Table III-5). Local government supports the largest share of investment (61 percent for industrial projects and 63 percent for commercial), while State government subsidizes a smaller but substantial share (33 percent and 23 percent). For neighborhood projects, in contrast, it is the Federal government that supports the largest share (53 percent) and State government the next largest (31 percent).

TABLE III-5

GOVERNMENT SOURCES OF SUBSIDIZED PRIVATE LOANS,
BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS STUDY

	Federal		State		Local		Total	
Project Type	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
Industrial	$5,346 (12.5%)	5.7%	$31,845 (51.5%)	33.8%	$57,147 (57.6%)	60.5%	$94,338 (46.3%)	100%
Commercial	7,217 (16.8%)	13.8	12,073 (19.5%)	23.2	32,846 (33.1%)	63.0	52,136 (25.5%)	100
Neighborhood	30,314 (70.7%)	52.8	17,910 (29.0%)	31.2	9,220 (9.3%)	16.0	57,444 (28.2%)	100
Total	$42,877 (100.0%)	21.0%	$61,828 (100.0%)	30.3%	$99,213 (9.3%)	18.7%	$203,918 (100.0%)	100%

Source: Urban Studies Division
Office of Evaluation
CPD

Federal Agency Sources of Subsidized Private Loans

Federal subsidies for private investment (apart from Action Grant funding) were provided through four sources: SBA, EDA, FmHA, and FHA. In all, the loans subsidized by these agencies make up slightly more than one percent of total project funding (Table III-1 shows that all subsidized loans account for about seven percent of the total project funding; in turn, Table III-4 shows that Federally subsidized loans account for about 21 percent of all subsidized loans).

Variation Among City Types. Table III-6 shows the distribution of subsidized loans supported through the four Federal agencies by city type. For all projects combined, the largest share of Federal support was provided by FHA (58 percent), with EDA (26 percent), FmHA (10 percent) and SBA (4 percent) following in order. However, the predominance of FHA support requires careful qualification because it represents only one project -- a large, neighborhood project in a metropolitan city. Among metropolitan cities (after excluding the single FHA subsidy), Federal subsidies for private investment were derived primarily from EDA (25 percent) and to a much lesser extent from SBA (3 percent). Among small cities, Federal support was, primarily and in roughly equal amounts, from FmHA (52 percent) and EDA (42 percent), with SBA again subsidizing a much smaller share (6 percent).

Variation Among Project Types. As shown in Table III-7, almost all Federal subsidies for industrial and commercial projects were provided by EDA (90 percent and 97 percent). Excluding the already noted FHA guarantee, neighborhood project subsidies were principally from FmHA (13 percent).

TABLE III-6

FEDERAL AGENCY SOURCES OF SUBSIDIZED PRIVATE LOANS,
BY CITY TYPE

THE 235 GRANT AGREEMENTS STUDY

	SBA		EDA		FmHA		FHA		Total	
City Type	Dollar (000)	Percent	Dollar (000)	Percent	Dollar (000)	Percent	Dollar (000)	Percent	Dollar (000)	Percent
All Cities	$ 1,588 (100.0%)	3.7%	$11,950 (100.0%)	27.9%	$ 4,344 (100.0%)	10.1%	$25,000 (100.0%)	58.3%	$42,877 (100.0%)	100%
Metro-politan Cities	1,100 (69.3%)	3.1	8,450 (70.7%)	24.5	0 (0.0%)	0	25,000 (100.0%)	72.4	34,550 (80.6%)	100
Small Cities	488 (30.7%)	5.8	3,500 (29.3%)	42.0	4,344 (100.0%)	52.2	0 (0.0%)	0	8,327 (19.4%)	100

Source: Urban Studies Division
Office of Evaluation
CPD

TABLE III- 7

FEDERAL AGENCY SOURCES OF SUBSIDIZED PRIVATE LOANS.
BY PROJECT TYPE

THE 235 GRANT AGREEMENTS STUDY

Project Type	SBA		EDA		FmHA		FHA		Total	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
Industrial	$ 100 (6.3%)	1.9%	$ 4,800 (40.2%)	89.8%	$ 446 (10.3%)	8.3%	$ 0 (0.0%)	0.0%	$ 5,346 (12.5%)	100%
Commercial	217 (13.7%)	3.0	7,000 (58.6%)	97.0	0 (0.0)	0.0	0 (0.0%)	0.0	7,217 (16.8%)	100
Neighbor-hood	1,266 (80.0%)	4.2	150 (1.2%)	0.5	3,898 (89.7%)	12.9	25,000 (100.0%)	82.4	30,314 (70.7%)	100
Total	$ 1,583 (100.0%)	3.7	$11,950 (100.0%)	27.9%	$ 4,344 (100.0%)	10,1%	$25,000 (100.0%)	58.3	$ 42,877 (100.0%)	100%

Source: Urban Studies Division
Office of Evaluation
CPD

NON-ACTION GRANT PUBLIC SECTOR FINANCING

The discussion just concluded examined private investment (subsidized and unsubsidized) in Action Grant projects. This section assesses direct public sector funding other than that provided through Action Grant funds. As shown Table III-1, this financing makes up in the aggregate about six percent of total project funding.

While it would be desirable to discuss non-Action Grant public financing in terms of the uses of the financing -- either direct incentives (loans, grants) or indirect ones (infrastructure) -- the availabe data do not permit this degree of detail. However, information is available on the level of government which provides the incentive, as well as, in the case of Federal incentives, on the specific agency which provides the financing.

Government Sources of Non-Action Grant Public Sector Financing

Variation Among City Types. Table III-8 shows the distribution of Federal, State, and local financing by city type. Looking at all projects combined, it is clear that the largest proportion of non-Action Grant public sector funding is provided by local government (57 percent) and the next largest by the Federal government (34 percent). State source financing is much less extensive (9 percent). The distribution of public sector financing among metropolitan cities is very similar. The shares provided by local, Federal, and State sources vary only marginally within a three-point range of the figures for all projects. Among small cities, the distribution of public sector funding is also quite similar to that for all cities combined, except in relation to State support which is much greater. The share provided by local and Federal sources vary within a narrow four-point range of the figures for all projects, but the proportion provided through State resources (21 percent) is 12 percentage points greater.

Variation Among Project Types. Among project types, the disribution of public sector funding differs somewhat from the pattern for all projects (Table III-9). For industrial and neighborhood projects, the most important sources of funds are the Federal government (48 percent and 53 percent) and local government (35 percent and 41 percent). State funds (18 percent) are also an important source for industrial projects. Commercial projects, in contrast, draw their heaviest funding from local government (73 percent) and smaller amounts from the Federal government (20 percent).

Table III- 8

GOVERNMENT SOURCES OF NON-ACTION GRANT
PUBLIC SECTOR FINANCING, BY CITY TYPE

THE 235 GRANT AGREEMENTS SAMPLE

City Type	State Funds		Local Funds		Federal Funds Non-Action Grant		Total Public Investment Non-Action Grant	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
ALL CITIES	$16,671 (100.0%)	8.9%	$106,975 (100.0%)	57.3%	$63,016 (100.0%)	33.8%	$186,662 (100.0%)	100.0%
METROPOLITAN CITIES	7,964 (47.8)	5.5	86,415 (80.8)	59.7	50,359 (79.9)	34.8	144,738 (77.5)	100.0
SMALL CITIES	8,707 (52.2)	20.8	20,560 (19.2)	49.0	12,657 (20.1)	30.2	41,924 (22.5)	100.0

Source: Urban Studies Division,
Office of Evaluation, CPD.

Table III- 9

GOVERNMENT SOURCES OF NON-ACTION GRANT
PUBLIC SECTOR FINANCING, BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	State Funds		Local Funds		Federal Funds Non-Action Grant		Total Public Investment Non-Action Grant	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
INDUSTRIAL	$6,977 (41.8%)	17.9%	$13,502 (12.6%)	34.6%	$18,545 (29.4%)	47.5%	$39,024 (20.9%)	100.0%
COMMERCIAL	6,862 (41.2)	6.7	74,799 (69.9)	73.1	20,659 (32.8)	20.2	102,320 (54.8)	100.0
NEIGHBORHOOD	2,832 (17.0)	6.2	18,674 (17.5)	41.2	23,812 (37.8)	52.6	45,318 (24.3)	100.0
TOTAL	$16,671 (100.0%)	8.9%	$106,975 (100.0%)	57.3%	$63,016 (100.0%)	33.8%	$186,662 (100.0%)	100.0%

Source: Urban Studies Division,
Office of Evaluation, CPD.

Federal Agency Sources of Non-Action Grant Public Sector Funding

As was the case for subsidized private sector investment, the data for non-Action Grant public sector funding do not allow identification of agency or program sources at the State and local levels. But such data are available at the Federal level. In the aggregate, non-Action Grant Federal sources make up about two percent of total project funding (Table III-1).

Variation Among City Types. Table III-10 presents the distribution of non-Action Grant Federal funding, by city type, for five Federal agencies and/or programs: CDBG, EDA, DOT, Interior, and CETA. The table also provides a residual ("other") category which includes grants from the Appalachian Regional Commission, FmHA, the U.S. Army Corps of Engineers, DOE, and the National Endowment for the Arts.

For all projects combined, the predominant share of Federal agency public sector funding was provided by CDBG (48 percent), with EDA and DOT each providing significant but much smaller shares (22 percent and 15 percent). The proportions contributed by the remaining agencies and programs ranged from three to eight percent. Among metropolitan cities the pattern is quite similar except that the share provided through CDBG is significantly higher (57 percent). Among small cities the pattern is somewhat different. On the one hand, small cities do not rely heavily on CDBG (11 percent). On the other hand, they derive greater proportionate funding from EDA and DOT (30 percent and 22 percent). Further, while the residual ("other") category is not important in metropolitan cities (2 percent) it is quite important in small cities (31 percent).

Variation Among Project Types. As shown in Table III-11, both industrial and neighborhood projects rely heavily on CDBG (54 percent in both cases), with EDA also providing significant funding to industrial projects (34 percent) and DOT to neighborhood projects (25 percent). Commercial projects draw a significant but smaller proportion of their Federal funds from CDBG (35 percent), and an equal portion from EDA.

TABLE III- 10

FEDERAL AGENCY SOURCES OF NON-UDAG PUBLIC SECTOR
FINANCING, BY CITY TYPE

THE 235 GRANT AGREEMENTS STUDY

City Type	CDBG		EDA		DOT		INTERIOR		CETA		Other		Total	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
All Cities	$30,187 (100.0%)	47.9%	$13,820 (100.0%)	21.9%	$ 9,277 (100.0%)	14.7%	$ 3,157 (100.0%)	5.0%	$ 1,733 (100.0%)	2.8%	$ 4,842 (100.0%)	7.7%	$63,016 (100.0%)	100%
Metro-politan Cities	28,832 (95.5%)	57.3	10,020 (72.5%)	19.9	6,562 (70.7%)	13.0	3,157 (100.0%)	6.3	908 (52.3%)	1.8	880 (18.2%)	1.7	50,359 (79.9%)	100
Small Cities	1,355 (4.5%)	10.7	3,800 (27.5%)	30.0	2,715 (29.3%)	21.5	0 (0.0%)	0	825 (47,7%)	6.5	3,962 (81.8%)	31.3	12,657 (20.1%)	100

Source: Urban Studies Division
Office of Evaluation
CPD

TABLE III-11

FEDERAL AGENCY SOURCES OF NON-UDAG PUBLIC SECTOR FINANCING, BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS STUDY

Project Type	CDBG		EDA		DOT		INTERIOR		CETA		Other		Total	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
Industrial	$ 9,993 (33.1%)	53.9%	$ 6,217 (45.0%)	33.5%	$ 199 (2.1%)	1.1%	$ 0 (0.0%)	0.0%	$ 825 (47.6%)	4.5%	$ 1,311 (27.1%)	7.0%	$18,545 (29.4%)	100%
Commercial	7,257 (24.0%)	35.3	7,176 (51.9%)	34.9	3,146 (33.9%)	15.2	0 (0.0%)	0.0	16 (0.9%)	0.1	2,971 (61.3%)	14.4	20,566 (32.6%)	100
Neighborhood	12,937 (42.9%)	54.2	427 (3.1%)	1.8	5,932 (63.9%)	24.8	3,157 (100.0)	13.2	892 (51.5%	3.7	560 (11.6%)	2.3	23,905 (37.9%)	100
Total	30,187 (100.0%)	47.9%	13,820 (100.0%)	21.9%	$ 9,277 (100.0%)	14.7%	$3,157 (100,0%)	5.0%	$ 1,733 (100.0%)	2.8%	$ 4,842 (100.0%)	7.7%	$63,016 (100.0%)	100%

Source: Urban Studies Division
Office of Evaluation
CPD

ACTION GRANT PUBLIC SECTOR FINANCING

This section provides an in-depth look at Action Grant financing. As shown in Table III-1, that financing makes up almost 13 percent of total project funding. The following discussion, unlike the preceding one on non-Action Grant public sector financing, includes a treatment of the uses of Action Grant financing as direct and indirect incentives. The data also permit a further breakdown to the specific components of both the direct and indirect incentives which are in use.

Action Grant Financing Relative To All Public Sector Financing

Variation Among City Types. Table III-12 shows the percentage relationship between Action Grant and all public sector financing by city type. For all projects combined, Action Grant financing accounts for just more than two-thirds (68 percent) of all public sector financing. Among metropolitan cities, the percentage accounted for by Action Grant financing is identical to the overall percentage and among small cities it is nearly equal (70 percent).

Table III- 12

ACTION GRANT FINANCING
RELATIVE TO PUBLIC FINANCING,
BY CITY TYPE

THE 235 GRANT AGREEMENTS SAMPLE

Type	Action Grant Dollars (000)	Total Public Dollars (000)	Action Grant As a Percent of Total Public Dollars (000)
ALL CITIES	$401,371 (100.0%)	$588,033 (100.0%)	68.2 %
METROPOLITAN CITIES	301,552 (75.1%)	446,290 (75.9%)	68.0
SMALL CITIES	99,819 (24.9%)	141,743 (24.1%)	70.4

Source: Urban Studies Division,
Office of Evaluation, CPD.

Variation Among Project Types. The public sector proportion contributed by Action Grant funds varies somewhat more among project types (Table III-13). It ranges from a high of 76 percent for industrial projects to a low of 62 percent for commercial projects. For neighborhood projects, the percentage (71 percent) is about equal to that for all projects.

Table III- 13

ACTION GRANT FINANCING
RELATIVE TO PUBLIC FINANCING,
BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Action Grant Dollars (000)	Total Public Dollars (000)	Action Grant As a Percent of Total Public Dollars (000)
INDUSTRIAL	$124,309 (31.0%)	$163,333 (27.8%)	76.1 %
COMMERCIAL	167,106 (41.6)	269,426 (45.8)	62.0
NEIGHBORHOOD	109,956 (27.4)	155,274 (26.4)	71.0
TOTAL	$401,371 (100.0%)	$588,033 (100.0%)	68.3 %

Source: Urban Studies Division,
Office of Evaluation, CPD.

Direct and Indirect Action Grant Incentives

Variation Among City Types. Table III-14 presents the distribution of direct and indirect Action Grant incentives by city type. Direct incentives are defined to include direct money payments or their equivalent made to private developers. They include loans, interest subsidies, rebates, and land writedowns. Indirect incentives are basically provided in the form of infrastructure, such as streets, water and sewer facilities, and parking.

For all projects combined, roughly equal shares of Action Grant investment are used to support direct and indirect incentives (50 percent and 46 percent). Among metropolitan cities, both types of incentives are heavily used, although direct incentives are used to a somewhat greater extent (56 percent) and indirect incentives to a somewhat lesser extent (39 percent). Among small cities, both types of incentives are again heavily used, but their relative importance is exactly the opposite of that found for metropolitan cities. While among metropolitan cities direct incentives are used to a greater extent than indirect incentives, among small cities direct incentives are used far less extensively (30 percent) than indirect incentives (67 percent).

Table III-14

DIRECT AND INDIRECT ACTION GRANT INCENTIVES, BY CITY TYPE

THE 235 GRANT AGREEMENTS SAMPLE

City Type	Direct Incentives		Indirect Incentives (Infrastructure)		Relocation		Total	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
ALL CITIES	$199,114 (100.0%)	49.6%	$184,090 (100.0%)	45.9%	$18,167 (100.0%)	5.5%	$401,371 (100.0%)	100.0%
METROPOLITAN CITIES	169,428 (85.1)	56.2	117,013 (63.6)	38.8	15,111 (83.2)	5.0	301,552 (75.1)	100.0
SMALL CITIES	29,686 (14.9)	29.7	67,077 (36.4)	67.2%	3,056 (16.8)	3.1%	99,819 (24.9)	100.0

Source: Urban Studies Division,
Office of Evaluation, CPD.

Variation Among Project Types. The variation in use of Action Grant funds is not so great among project types as among city types (Table III-15). Industrial and neighborhood projects make somewhat heavier use of direct incentives (53 percent and 54 percent), but also employ indirect incentives to a substantial degree (45 percent and 42 percent). Commercial projects use indirect incentives only marginally more than direct ones (49 percent for indirect incentives and 46 percent for direct).

Table III-15

DIRECT AND INDIRECT ACTION GRANT INCENTIVES,
BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Direct Incentives		Indirect Incentives (Infrastructure)		Relocation		Total	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
INDUSTRIAL	$62,502 (31.4%)	50.3%	$55,379 (30.0%)	44.5%	$6,428 (35.4%)	5.2%	$124,309 (31.0%)	100.0%
COMMERCIAL	77,184 (38.7)	46.2	82,489 (44.8)	49.4	7,433 (40.9)	4.4	167,106 (41.6)	100.0
NEIGHBORHOOD	59,428 (29.8)	54.0	46,222 (25.1)	42.0	4,306 (23.7)	4.0	109,956 (27.4)	100.0
TOTAL	$199,114 (100.0%)	49.6%	$184,090 (100.0%)	45.9%	$18,167 (100.0%)	4.5%	$401,371 (100.0%)	100.0%

Source: Urban Studies Division,
Office of Evaluation, CPD.

Types of Direct and Indirect Incentives

Dividing the uses of Action Grant investment into direct and indirect incentives is a useful initial approach to explaining the variety of ways such investments are actually used to assist project development: Tables III-16 and III-17 break down direct and indirect incentives into more refined classifications.

Table III-16 shows that almost all direct incentives are provided in the form of loans or land write downs (and related site improvements), and that these types of incentives represent roughly equal proportions of total Action Grant direct incentives (44 percent and 50 percent). Direct incentives in the form of interest subsidies and rehabilitation grants and rebates are used far less extensively (2 percent and 4 percent).

Table III-16

URBAN DEVELOPMENT ACTION GRANT DIRECT INCENTIVES
THE 235 GRANT AGREEMENTS STUDY

Form of Direction Action Grant Incentive	Planned Investment $ (000)	Percent of Total Direct Action Grant Incentives
Loans	$88,067	44.2%
Interest Subsidies	4,523	2.3
Rehabilitation grants and rebates	7,412	3.7
Land writedowns and on-site improvements	99,112	49.8
All direct incentives	$199,114	100.0%

Source: Urban Studies Division
Office of Evaluation, CPD

Table III-17 shows that the majority of Action Grant indirect incentives for infrastructure are provided in the form of streets (33 percent), parking facilities (23 percent), and water and sewer lines (18 percent).

Table III-17

URBAN DEVELOPMENT ACTION GRANT EXPENDITURES FOR INFRASTRUCTURE
THE 235 GRANT AGREEMENTS STUDY

Infrastructure Type	Planned Investment $ (000)	Percent of Total Infrastructure Expenditures
Streets	$60,186	32.7%
Water and Sewer	32,892	17.9
Parking facilities	41,457	22.5
Other	49,555	26.9
Total	$184,090	100.0%

Source: Urban Studies Division
Office of Evaluation, CPD

LEVERAGING

The previous sections of this chapter have provided detailed discussions of the three major financial components of Action Grant projects: private sector financing, non-Action Grant public sector financing (local, State, and non-Action Grant Federal), and Action Grant public sector financing. This section examines the relationship among these components. Relations are examined in terms of three notions of leveraging. The first notion expresses the ratio of private investment combined in a project to Action Grant funding (Leverage Ratio I). The second is a ratio of private investment ot the sum of Action Grant funding and non-Action Grant public sector financing. (Leverage to Ratio II). The third is a ratio of the sum of private and non-Action Grant public sector financing to Action Grant funding (Leverage Ratio III).

No one of these three notions of leveraging can be said to be the single correct one. The one that is selected depends on the perspective from which the leverage calculation is carried out. From the standpoint of the Action Grant Program's principal strategy, the creation of partnerships with the private sector, Action Grant funds leverage private investment. This is the rationale for funds Leverage Ratio I. From the standpoint of the public sector generally, on the other hand, it is all public investment that leverage private investment. This is the rationale for Leverage Ratio II. Finally, from the standpoint of HUD, Action Grant funds can be seen as leveraging all other investments, whether public or private sector. This is the rationale for Leverage Ratio III.

Leverage Ratio I: Private Investment to Action Grant Investment

Leverage Ratio I is the ratio of private to Action Grant investment. Private investment for this purpose includes both unsubsidized and subsidized private investment, as well as the present value of loans made to private sector developers from Action Grant funding.

Table III-18 shows the values assumed by Ratio I for each of the three project types and for all types combined. As shown in the table, industrial projects have the highest ratios, reaching nearly 8.0. This ratio indicates that $8 of private investment was forthcoming in Action Grant industrial projects for every dollar of Action Grant investment. Commercial and neighborhood project ratios (6.4 and 4.6) follow in that order behind the industrial ratios.

Table III-18

LEVERAGE RATIO I

Project Type	Ratio
Industrial	7.98
Commercial	6.41
Neighborhood	4.55
Combined	6.39

Leverage Ratio II: Private Investment to Non-Action Grant Public Plus Action Grant Investment

Leverage Ratio II is the ratio of private investment to the sum of non-Action Grant public plus Action Grant investment. Here too, private investment includes unsubsidized and subsidized private investment plus the present value of Action Grant-financed loans. Non-Action Grant public investment includes non-Action Grant Federal, State and local grants.

Table III-19 presents the value of Ratio II for the three project types and all types combined. Because of the definition of this ratio, the values shown for each project type are lower than the corresponding Ratio I values. As in the case of the Ratio I method, however, industrial projects display the highest ratios (6.1), followed in order by commercial (4.0) and neighborhood (3.2) project ratios.

Table III-19

LEVERAGE RATIO II

Project Type	Ratio
Industrial	6.07
Commercial	3.98
Neighborhood	3.22
Combined	4.36

Leverage Ratio III: Private Plus Non-Action Grant Public Investment to Action Grant Investment

Leverage Ratio III is the ratio of the sum of private plus non-Action Grant public investment to Action Grant investment. The components of these items are those already described in connection with Leverage Ratios I and II.

Table III-20 gives the Ratio III values for the three project types and all types combined. Because of the definition of this ratio, the values for each project are higher than the corresponding Ratio I values. Once again, however, it is the industrial projects that have highest ratios (8.3) followed by the commercial (7.0) and neighborhood (5.0) project ratios.

Table III-20

LEVERAGE RATIO III

Project Type	Ratio
Industrial	8.30
Commercial	7.02
Neighborhood	4.96
Combined	6.85

PART TWO

IMPACTS OF URBAN DEVELOPMENT ACTION GRANTS: POTENTIAL AND PROGRESS

CHAPTER IV — POTENTIAL IMPACTS OF ACTION GRANT PROJECTS

CHAPTER V — PROGRESS TOWARD ACHIEVING POTENTIAL IMPACTS

CHAPTER IV

POTENTIAL IMPACTS OF ACTION PROJECTS

The value of any Federal program, ultimately, must be measured in terms of its effectiveness in meeting its statutory objectives. This Chapter examines the potential impact of the program on the level and distribution of community employment, housing, tax revenues and benefits to persons of low and moderate income. Potential project impacts represent those impacts anticipated at the time of the project grant awards. These impacts are examined according to the city type and project type in which they will be generated.

SUMMARY OF FINDINGS

For the two fiscal years of 1978 and 1979, the 521 projects receiving awards potentially will generate 375,000 total jobs. About two-thirds of these will be permanent, either new or retained, while the balance are construction jobs. Almost three-fourths of jobs of all types are located in metropolitan cities.

About two-thirds of the permanent jobs will be new, with the balance retained jobs. Metropolitan cities have a higher than average share of retained jobs. For all projects, the commercial category accounts for almost one-half of total permanent jobs. Within small cities alone, industrial projects represent well over half of the total permanent jobs.

Metropolitan city projects have a substantially larger average number of permanent jobs per project as well as Action Grant dollars per permanent job. In both city types, the majority of construction jobs occur in commercial projects which also have the largest number of construction jobs per project and Action Grant dollars per job.

The projects with housing components will construct or rehabilitate 46,000 units. Four out of five of these units are in metropolitan cities. Somewhat over half of the total units are to be rehabilitated with the balance involving new construction.

By type of project, almost three quarters of all housing units are found in neighborhood projects, about a fifth in commercial, with only a nominal number in industrial.

Information on the anticipated fiscal impact of Action Grant projects is available only for FY 1979. For FY 1979 projects, total taxable property value is expected to increase by $2.9 billion, 85 percent of which will be in metropolitan cities. The estimated property tax increase in these projects is $53,000,000 which averages to $186,000 per project and $0.11 per Action Grant dollar. While the average tax increase per project is more than three times larger for metropolitan cities, the average increase per Action Grant dollar is the same for both city types.

Commercial projects have about half of the estimated increase in both taxable property value and property tax and the highest amount of property tax increase per project and per Action Grant dollar. While commercial projects also are the most significant in metropolitan cities in respect to estimated increases in taxable property and property tax, industrial projects assume this role in small cities.

For FY 1979 projects, over half of all new permanent jobs are designated for low- and moderate-income persons. There are no major variations in this relationship either by type of city or type of project, except in small city commercial projects where four out of five planned new permanent jobs are for low/moderate-income persons.

Over four out of ten total housing units are earmarked for low- and moderate-income persons in FY 1979 projects. This ratio is approximately the same for both metropolitan cities and small cities and for commercial and neighborhood projects.

TABLE IV-1

URBAN DEVELOPMENT ACTION GRANTS

ESTIMATED JOBS TO BE CREATED OR RETAINED

CUMULATIVE FY 1978 AND FY 1979

	Number	Percent
New Jobs	158,007	42.1%
Retained Jobs	81,265	21.7%
Construction Jobs	135,945	36.5%
TOTAL	375,217	100.0%

Source: Data Systems and Statistics Division,
Office of Management, CPD

PERMANENT EMPLOYMENT: TOTAL NEW AND RETAINED JOBS

Distribution Among City Types

As indicated in Table IV-1, new and retained jobs together comprise an estimated 64 percent (240,000 jobs) of all 375,000 jobs to be generated. Table IV-2 presents the distribution of new and retained permanent jobs by city type. An estimatd quarter of a million jobs will be created as a result of the first two years' Action Grant projects. Most of the permanent jobs will be new (66%) rather than retained. Although FY 1979 projects will create fewer permanent jobs than FY 1978 projects, the percent of permanent jobs that are new has remained fairly constant for both years.

Metropolitan city projects will generate about 74 percent of all permanent jobs. Seventy percent of all new jobs and 82 percent of all retained jobs will be located in these cities. Sixty-two percent of these jobs will be new. Fewer permanent jobs will be generated from FY 1979 projects than for those in FY 1978. The number of expected new jobs fell by over 12,000, while retained jobs decreased by nearly 10,000. Although there was a reduction in the number of permanent jobs, the percent of newly created jobs as compared to all permanent jobs increased slightly to 63 percent in FY 1979.

Table IV-2

URBAN DEVELOPMENT ACTION GRANTS
ESTIMATED NEW AND RETAINED PERMANENT JOBS
BY CITY TYPE AND FISCAL YEAR

City Type Fiscal Year	New & Retained Jobs		New Jobs		Retained Jobs		New Jobs As A Percent of Total New & Retained Jobs
	Number	Percent	Number	Percent	Number	Percent	
All Cities							
Cumulative	239,272	100.0%	158,007	100.0%	81,263	100.0%	66.0
FY 1978	134,972	100.0	87,061	100.0	47,917	100.0	64.5
FY 1979	104,294	100.0	70,946	100.0	33,348	100.0	68.0
Metro Cities							
Cumulative	176,660	73.8 %	109,935	69.6%	66,725	82.1%	62.2
FY 1978	99,423	73.7	61,296	70.4	38,127	79.6	61.6
FY 1979	77,237	74.1	48,639	68.6	28,598	85.8	63.0
Small Cities							
Cumulative	62,612	26.2%	48,072	30.4%	14,540	17.9%	76.8
FY 1978	35,555	26.3	25,765	29.6	9,790	20.4	72.5
FY 1979	27,057	25.9	22,307	31.4	4,750	14.2	82.4

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Small city Action Grant projects will generate nearly 63,000 permanent jobs or 30 percent of the total. In contrast to metropolitan city projects, those in small cities will provide a larger percentage of new to total permanent jobs (77 percent). Eighty-two percent of FY 1979 permanent jobs were new as compared to 72 percent in FY 1978. The higher percentage for FY 1979 resulted from a significant reduction in the number of anticipated retained jobs. The number of retained jobs decreased by more than 5,000.

Distribution Between Project Types

Industrial projects in both metropolitan and small cities are expected to generate more than 85,000 permanent jobs (Table IV-3). Fifty-nine percent of these jobs will be new as opposed to retained jobs. Although the number of expected new jobs created by industrial projects decreased by more than 5,000 jobs in FY 1979, the percent of permanent jobs that were new has remained fairly constant for the two years.

Table IV-3

URBAN DEVELOPMENT ACTION GRANTS
ALL CITIES
ESTIMATED NEW AND RETAINED PERMANENT JOBS
BY PROJECT TYPE AND FISCAL YEAR

Project Type Fiscal Year	New & Retained Jobs		New Jobs		Retained Jobs		New Jobs As A Percent of Total New & Retained Jobs
	Number	Percent	Number	Percent	Number	Percent	
Industrial							
Cumulative	85,470	35.7%	50,668	32.1%	34,802	42.8%	59.3
FY 1978	48,446	35.9	28,151	32.3	20,295	42.4	58.1
FY 1979	37,024	35.5	22,517	31.7	14,507	43.5	60.1
Commercial							
Cumulative	114,498	47.8%	80,806	51.1%	33,692	41.5%	70.6
FY 1978	69,632	51.6	45,764	52.6	23,868	49.8	65.7
FY 1979	44,866	43.0	35,042	49.4	9,824	29.5	78.1
Neighborhood							
Cumulative	39,304	16.4%	26,533	16.8%	12,771	15.7%	67.5
FY 1978	16,900	12.5	13,146	15.1	3,754	7.8	77.8
FY 1979	22,404	21.4	13,387	18.9	9,017	27.0	59.8
Total							
Cumulative	239,272	100.0%	158,007	100.0%	81,263	100.0%	66.0
FY 1978	134,978	100.0	87,001	100.0	47,917	100.0	64.5
FY 1979	104,294	100.0	70,946	100.0	33,348	100.0	68.0

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Commercial projects created the largest number of permanent jobs, more than 115,000 or 48 percent of all permanent jobs. Overall, commercial projects also had the highest percentage of new to total permanent jobs (71 percent). The percent of newly created permanent jobs in commercial Action Grant projects increased from 66 percent in FY 1978 to 78 percent in FY 1979.

Neighborhood projects accounted for the smallest percentage of estimated permanent jobs (16 percent). However, the share of all permanent jobs going to these projects will be greater for FY 1979 projects than for those awarded in FY 1978, the only project type in which the total grew between the two years. Most of this increase is in the form of retained jobs.

Distribution Within Metropolitan Cities

Within metropolitan cities, industrial projects will generate 27 percent of all permanent jobs, less than half of which (45 percent) are new. (Table IV-4). The share of metropolitan city jobs in industrial projects decreased slightly between 1978 and 1979, from 29 to 24 percent. The proportion of new jobs in each year also dropped. Half were new jobs in FY 1978, while in FY 1979, only 37 percent of these jobs were new.

Table IV-4

URBAN DEVELOPMENT ACTION GRANTS
METROPOLITAN CITIES
ESTIMATED NEW AND RETAINED PERMANENT JOBS
BY PROJECT TYPE AND FISCAL YEAR

Project Type Fiscal Year	New & Retained Jobs		New Jobs		Retained Jobs		New Jobs As A Percent of Total New & Retained Jobs
	Number	Percent	Number	Percent	Number	Percent	
Industrial							
Cumulative	47,443	26.8%	21,420	19.5%	26,023	39.0%	45.1
FY 1978	28,543	28.7	14,343	23.4	14,200	37.2	50.3
FY 1979	18,900	24.5	7,077	14.6	11,823	41.3	37.4
Commercial							
Cumulative	96,939	54.9%	67,385	61.3%	29,554	44.3%	69.5
FY 1978	56,830	57.2	35,877	58.5	20,953	55.0	63.1
FY 1979	40,109	51.9	31,508	64.8	8,601	30.1	78.5
Neighborhood							
Cumulative	32,278	18.3%	21,130	19.2%	11,148	16.7%	65.5
FY 1978	14,050	14.1	11,076	18.1	2,974	7.8	78.8
FY 1979	18,228	23.6	10,054	20.6	8,174	28.6	55.2
Total							
Cumulative	176,660	100.0%	109,935	100.0%	66,725	100.0%	62.2
FY 1978	99,423	100.0	61,296	100.0	38,127	100.0	61.6
FY 1979	77,237	100.0	48,639	100.0	28,598	100.0	63.0

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Commercial projects accounted for over half of planned permanent jobs in these cities, 70 percent of which are new. Commercial project jobs have, as with those in industrial projects, dropped as a proportion of the metropolitan total between FY 1978 and FY 1979 (from 57 percent to 52 percent).

However, unlike industrial projects, commercial projects experienced an increase in the proportion of jobs which are new (from 63 percent in FY 1978 to 78 percent in FY 1979).

Although neighborhood projects will generate only 18 percent of the permanent jobs, they increased their share of total jobs (from 14 percent to 24 percent) between the two fiscal years. This resulted from a relatively large increase in the number of retained jobs. The percentage of new to total permanent jobs fell from 79 percent in FY 1978 to 55 percent in FY 1979.

Distribution Within Small Cities

In small cities, unlike metropolitan cities, most permanent jobs will be generated in industrial projects (Table IV-5). Sixty-one percent of all permanent jobs planned in small cities will be located in industrial projects. The share of small city jobs in industrial projects is not only high relative to metropolitan projects, but it has grown between FY 1978 and FY 1979, from 56 percent to 67 percent.

Table IV-5

URBAN DEVELOPMENT ACTION GRANTS
SMALL CITIES
ESTIMATED NEW AND RETAINED PERMANENT JOBS
BY PROJECT TYPE AND FISCAL YEAR

Project Type Fiscal Year	New & Retained Jobs		New Jobs		Retained Jobs		New Jobs As A Percent of Total New & Retained Job
	Number	Percent	Number	Percent	Number	Percent	
Industrial							
Cumulative	38,027	60.7%	29,248	60.8%	8,779	60.4%	76.9
FY 1978	19,903	56.0	13,808	53.6	6,095	62.2	69.4
FY 1979	18,124	67.0	15,440	69.2	2,684	56.5	85.2
Commercial							
Cumulative	17,559	28.0%	13,421	27.9%	24,138	28.5%	76.4
FY 1978	12,802	36.0	9,887	38.4	2,915	29.8	77.2
FY 1979	4,757	17.6	3,534	15.8	1,223	25.7	74.3
Neighborhood							
Cumulative	7,026	11.2%	5,403	11.2%	1,623	11.2%	76.9
FY 1978	2,850	8.0	2,070	8.0	780	8.0	72.6
FY 1979	4,176	15.4	3,333	14.9	843	17.7	79.8
Total							
Cumulative	62,612	100.0%	48,072	100.0%	14,540	100.0%	76.8
FY 1978	35,555	100.0	25,765	100.0	9,790	100.0	72.5
FY 1979	27,057	100.0	22,307	100.0	4,750	100.0	82.4

Source: Data Systems and Statistics Division,
Office of Management, CPD.

In contrast, small city commercial projects account for only 28 percent of planned small city permanent jobs, and the proportion of these jobs dropped substantially from FY 1978 to FY 1979 (from 36 percent in FY 1978 to 18 percent in FY 1979). These commercial projects will provide about the same proportion of new to permanent jobs as industrial projects (76 percent).

Neighborhood projects in small cities will generate only 11 percent of all permanent small city jobs. Consistent with industrial and commercial projects, most of these jobs (77 percent) will be new. In neighborhood projects, the share of all jobs has increased from eight to 15 percent between FY 1978 and FY 1979, with a slight increase as well in the proportion which are new jobs (from 73 to 80 percent).

PERMANENT EMPLOYMENT: PER PROJECT AND DOLLARS PER JOB

This section discusses the average number of permanent jobs planned per project and the average amount of Action Grant award dollars per planned job. This latter figure is computed by dividing the total amount of Action Grant awards by the total number of planned jobs for the different years, city types, and project types being analyzed.

Permanent Employment Among City Types

Cumulatively, Action Grant projects create an estimated 459 permanent jobs per project, at an average of $4,000 in Action Grant funds per job (Table IV-6). Three hundred of these

Table IV-6

URBAN DEVELOPMENT ACTION GRANTS
PERMANENT JOBS: PER PROJECT AND DOLLARS PER JOB
BY CITY TYPE AND FISCAL YEAR

City Type Fiscal Year	Number of Projects	Number of New & Retained Jobs Per Project	Number of New Jobs Per Project	Number of Retained Jobs Per Project	Action Grant Dollars Per	
					New & Retained Job	New Job
All Cities						
Cumulative	521	459	303	156	$4,043	$6,123
FY 1978	236	572	369	203	3,625	5,620
FY 1979	285	366	249	117	4,525	6,740
Metro Cities						
Cumulative	277	637	397	240	$4,327	$6,944
FY 1978	131	759	468	291	3,957	6,418
FY 1979	146	529	333	196	4,790	7,606
Small Cities						
Cumulative	244	253	197	56	3,260	4,246
FY 1978	105	339	245	94	2,697	3,722
FY 1979	139	195	160	35	3,998	4,850

Source: Data Systems and Statistics Division,
Office of Management, CPD

permanent jobs per project are new, at an average rate of $6,100 per new job. The average number of permanent jobs per project has decreased from FY 1978 to FY 1979 (from 572 to 366). This decrease has occurred both in new and retained jobs; though it is proportionately somewhat greater in retained jobs. Action Grant dollars per job have commensurately increased between the two years.

The average number of permanent jobs planned in metropolitan city projects is 637, substantially greater than the program average. A metropolitan project averages 397 new jobs and 240 retained jobs, at a rate of $7,000 of Action Grant dollars per new job, and $4,300 per permanent jobs. As with all projects, the average number of both new and retained jobs per metropolitan project declined from FY 1978 to FY 1979. This corresponds to an inccrease in the rate of Action Grant dollars per job of $6,400 to $7,600 for new jobs and $4,000 to $4,800 for all permanent jobs.

Small city projects average far fewer jobs (253) than metropolitan city projects. Small city jobs also are created at a lower rate of Action Grant dollars per jobs than metropolitan city jobs. In small cities, the average is $4,200 Action Grant dollars per new job, and $3,300 per all permanent jobs. As in metropolitan cities, small city jobs per project decreased and the average rate of Action Grant dollars per job increased between the two fiscal years.

Permanent Employment Between Project Types

Analyzed by project type, as presented in Table IV-7, industrial projects average 462 planned permanent jobs per project, about equal to the amount for all projects. They tend to be comprised of somewhat more retained jobs (168) and fewer new jobs (274) than average for all projects. The average rate of Action Grant dollars per new job is just under $4,700, and for new and retained jobs, $2,800, substantially lower than the rates for all projects. As with all projects, the average number of permanent jobs per industrial project has declined from FY 1978 to FY 1979. The average rate of Action Grant dollars has increased commensurately.

Commercial projects average a slightly larger number of planned permanent jobs per project (651) than industrial projects. The rate of Action Grant dollars per job in commercial projects is somewhat larger than that found in industrial projects. New jobs in commercial projects average $5,900 Action Grant dollars, while all permanent jobs average $4,200. The average number of permanent jobs per commercial project dropped substantially from FY 1978 to FY 1979 (from 829 to 488) with the largest decrease in retained jobs. The average rate of Action Grant dollars per job in commercial projects has increased between FY 1978 and FY 1979 from $5,300 to $6,700 for new jobs, and $3,500 to $5,200 for all permanent jobs.

Table IV-7

URBAN DEVELOPMENT ACTION GRANTS
ALL CITIES
PERMANENT JOBS: PER PROJECT AND DOLLARS PER JOB
BY FISCAL YEAR

Project Type Fiscal Year	Number of Projects	Number of New & Retained Jobs Per Project	Number of New Jobs Per Project	Number of Retained Jobs Per Project	Action Grant Dollars Per	
					New & Retained Job	New Job
Industrial						
Cumulative	185	462	274	188	$2,760	$4,655
FY 1978	85	570	331	239	2,386	4,105
FY 1979	100	370	225	145	3,250	5,843
Commercial						
Cumulative	176	651	459	191	$4,163	$5,899
FY 1978	84	829	545	284	3,498	5,322
FY 1979	92	488	381	107	5,196	6,653
Neighborhood						
Cumulative	160	246	166	80	$6,486	$9,607
FY 1978	67	252	196	56	7,722	9,927
FY 1979	93	241	144	97	5,566	9,316
Total						
Cumulative	521	459	303	156	$4,043	$6,123
FY 1978	236	572	369	203	3,625	5,620
FY 1979	285	366	249	117	4,585	6,740

Source: Data Systems and Statistics Division,
Office of Management, CPD

As would be expected by the nature of the projects, average jobs per neighborhood project are much fewer than for other project types (246), involving 166 new jobs and 80 retained jobs. The average rate of Action Grant dollars per job is much higher -- $9,600 per new job and $6,500 per permanent jobs. Unlike other project types, the average number of jobs in neighborhood projects has essentially held constant between FY 1978 and FY 1979. Also, unlike other project types, there was a decrease in the average rate of Action Grant dollars per job between FY 1978 and FY 1979, dropping slightly from $9,900 to $9,300 for new jobs, and from $7,700 to $5,600 for all permanent jobs.

Permanent Employment Within Metropolitan Cities

In metropolitan cities, industrial projects average 777 planned permanent jobs per project, comprised on the average of more retained (426) than new (351). This is shown in Table IV-8. The average rate of Action Grant dollars per new job in a metropolitan industrial project is $6,200 and for all permanent jobs, $2,800. As with almost all project and city types, the average number of jobs in metropolitan industrial projects has declined from FY 1978 to FY 1979 (from 892 to 652 permanent jobs). This decline is greatest in the average number of new jobs per project, dropping from 448 to 244. The rate of Action Grant dollars per industrial job in metropolitan cities has increased, particularly for new jobs.

Table IV-8

URBAN DEVELOPMENT ACTION GRANTS
METROPOLITAN CITIES
PERMANENT JOBS: PER PROJECT AND DOLLARS PER JOB
BY FISCAL YEAR

Project Type Fiscal Year	Number of Projects	Number of New & Retained Jobs Per Project	Number of New Jobs Per Project	Number of Retained Jobs Per Project	Action Grant Dollars Per	
					New & Retained Job	New Job
Industrial						
Cumulative	61	777	351	426	$2,799	$6,195
FY 1978	32	892	448	444	2,530	5,035
FY 1979	29	652	244	408	3,197	8,357
Commercial						
Cumulative	112	866	602	264	$4,915	$6,296
FY 1978	54	1,052	664	388	3,751	5,941
FY 1979	58	691	543	148	5,269	6,708
Neighborhood						
Cumulative	104	310	203	107	$7,909	$9,762
FY 1978	45	312	246	66	9,295	9,755
FY 1979	59	308	170	138	5,388	9,769
Total						
Cumulative	277	637	397	240	4,327	6,944
FY 1978	131	759	468	291	3,957	6,418
FY 1979	146	529	333	196	4,790	7,606

Source: Data Systems and Statistics Division,
Office of Management, CPD

Commercial projects in metropolitan cities average the most jobs per project of any project or city type (866). Most of these (602) are new jobs. The average rate of Action Grant dollars per job is about the same as that for metropolitan industrial projects ($6,300). Between FY 1978 and FY 1979, the average number of metropolitan city commercial jobs decreased from 1,052 to 691, largely due to a decrease in retained jobs. The average rate of Action Grant dollars between the two years in metropolitan city commercial jobs has increased from $5,900 to $7,700 for new jobs, and from $3,700 to $5,300 for all permanent jobs.

Neighborhood projects in metropolitan cities average 310 planned permanent jobs per project. The average rate of Action Grant dollars per job is much higher than for other project types ($9,800 per new job and $7,900 per all permanent jobs). In metropolitan neighborhood projects, the average for all permanent jobs has stayed about the same between FY 1978 and FY 1979. This is the result of decreases in planned new jobs per project, and increases in retained jobs per project which cancel each other out. The average rate of Action Grant dollars per new job in metropolitan city neighborhood projects has held about constant but dropped substantially for all permanent jobs (from $9,300 to $5,400).

Table IV- 9

URBAN DEVELOPMENT ACTION GRANTS
SMALL CITIES
PERMANENT JOBS: PER PROJECT AND DOLLARS PER JOB
BY FISCAL YEAR

Project Type Fiscal Year	Number of Projects	Number of New & Retained Jobs Per Project	Number of New Jobs Per Project	Number of Retained Jobs Per Project	Action Grant Dollars Per New & Retained Job	Action Grant Dollars Per New Job
Industrial						
Cumulative	124	307	236	71	$2,715	$3,530
FY 1978	53	376	261	115	2,178	3,140
FY 1979	71	255	217	38	3,305	3,879
Commercial						
Cumulative	64	274	209	65	$2,972	$3,889
FY 1978	30	427	330	97	2,374	3,075
FY 1979	34	140	104	36	4,581	6,167
Neighborhood						
Cumulative	56	125	96	29	$6,925	$9,005
FY 1978	22	130	94	36	7,774	10,703
FY 1979	34	123	98	25	6,345	7,850
Total						
Cumulative	244	253	197	56	$3,260	$4,246
FY 1978	105	339	245	94	2,697	3,722
FY 1979	139	195	160	35	3,998	4,850

Source: Data Systems and Statistics Division,
Office of Management, CPD

Permanent Employment Within Small Cities

Within small cities, the pattern of average planned jobs is somewhat different from metropolitan cities. In particular, industrial projects in small cities have the greatest number of planned jobs. Small city industrial projects average 307 jobs per project, most of which (236) are new (Table IV-9).

Small city commercial projects average 274 jobs per project. Between FY 1978 and FY 1979 the average number of planned permanent jobs in small city commercial projects dropped substantially from 427 to 140 permanent jobs per project, affecting both new and retained jobs proportionately. The average rate of Action Grant dollars per job in small city commercial projects increased commensurately in the two years, from $3,100 to $6,299 for new jobs and from $2,300 to $4,600 for all permanent jobs.

Neighborhood projects in small cities, as in metropolitan cities, are the smallest job producers. Small city neighborhood projects average 125 permanent jobs per project. The average rate of Action Grant dollars per new job in a small city neighborhood projects is $9,000, close to the rate in metropolitan city neighborhood projects. The rate for all permanent jobs is $6,900. Between FY 1978 and FY 1979 the average number of new or retained jobs in small city neighborhood projects has not changed appreciably, but average rates of Action Grant dollars per job in these projects have dropped, from $10,700 to $7,800 per new job, and $7,800 to $6,300 per all permanent jobs.

POTENTIAL CONSTRUCTION EMPLOYMENT

Distribution Among City Types

The 521 Action Grant projects that have been funded are expected to generate an estimated 136,000 construction jobs, an average of 261 jobs per project (Table IV-10). 1/ Between the two fiscal years, planned construction jobs declined from 76,700 jobs in FY 1978 to 59,300 jobs in FY 1979. This is reflected in a decrease of jobs per project from 324 in FY 1978 to 208 in FY 1979. The Action Grant dollars per construction job will be a little over $7,000.

1/ Full details on construction plans are required on all applications; however, because of the variety of types of construction and scale of projects, construction employment is reported in a variety of ways. Aggregation of construction employment across all projects can only be approximate. Consequently, construction data are intended only to show the general scale of potential economic impact and is not intended as a precise measure.

Almost three-fourths of the construction jobs will be generated in metropolitan city projects. The average metropolitan project is expected to generate 364 construction jobs with an Action Grant dollar rate of $7,500. Although there was a slight decline in the total planned construction jobs between the fiscal years, the percentage of such jobs provided by metropolitan projects increased from 72 percent in FY 1978 to 77 percent in FY 1979. Action Grant dollars per job increased from $5,000 in FY 1978 projects to $10,000 in FY 1979 projects.

As would be expected from the distribution of Action Grant dollars among city types, small city Action Grant projects will generate about a fourth of all construction jobs. Small city projects will create approximately 144 construction jobs per project, far below that of metropolitan projects, with Action Grant dollars per job somewhat lower than that of metropolitan city projects. The pattern of decline in small city construction jobs was similar to that of the metropolitan jobs.

Table IV-10

URBAN DEVELOPMENT ACTION GRANTS
ESTIMATED CONSTRUCTION JOBS
BY CITY TYPE AND FISCAL YEAR

Type Fiscal Year	Number of Projects	Construction Jobs		Number of Construction Jobs Per Project	Action Grant Dollars Per Construction Job
		Number	Percent		
All Cities					
Cumulative	521	135,945	100.0%	261	7,117
FY 1978	236	76,675	100.0	325	6,382
FY 1979	285	59,270	100.0	208	8,068
Metro Cities					
Cumulative	277	100,720	74.1%	364	7,579
FY 1978	131	55,042	71.8	420	5,182
FY 1979	146	46,678	77.1	313	10,468
Small Cities					
Cumulative	244	35,225	25.9%	144	5,794
FY 1978	105	21,633	28.2	206	4,433
FY 1979	139	13,592	22.9	98	7,960

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Distribution Among Project Types

Table IV-11 shows that industrial projects receiving awards in the first two years of the program will account for about a fourth of total anticipated construction jobs. Industrial projects are expected to provide 179 construction jobs per project, with Action Grant dollars per job at about $7,000. Industrial projects decreased their share of construction jobs between fiscal years, going from 28 percent in FY 1978 to 20 percent in FY 1979. The Action Grant dollars per job increased fom $5,400 in FY 1978 to $10,200 in FY 1979.

Table IV-11

URBAN DEVELOPMENT ACTION GRANTS
ALL CITIES
ESTIMATED CONSTRUCTION JOBS
BY PROJECT TYPE AND FISCAL YEAR

Project Type Fiscal Year	Number of Projects	Construction Jobs		Number of Construction Jobs Per Project	Action Grant Dollars Per Construction Job
		Number	Percent		
Industrial					
Cumulative	185	33,061	24.3%	179	$7,135
FY 1978	85	21,287	27.8	250	5,429
FY 1979	100	11,774	19.9	118	10,219
Commercial					
Cumulative	176	58,200	42.8%	331	$8,191
FY 1978	84	30,567	39.8	364	7,968
FY 1979	92	27,633	46.6	300	8,437
Neighborhood					
Cumulative	160	44,684	32.9%	279	$5,705
FY 1978	67	24,821	32.4	370	5,258
FY 1979	93	19,863	33.5	214	6,279
Total					
Cumulative	521	135,945	100.0%	261	$7,117
FY 1978	236	76,675	100.0	325	6,382
FY 1979	285	59,270	100.0	208	8,065

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Commercial projects are expected to provide 43 percent of the construction jobs for the two years of the program. These projects will average about twice the number of jobs per project as industrial projects. About $8,000 in Action Grant dollars will be required to create one construction job. Although over the two years commercial projects required about a thousand dollars more per construction job than industrial projects, for FY 1979 projects this figure was reversed. Action Grant dollars per job in commercial projects were over a thousand dollars less than in industrial projects.

Neighborhood projects will provide about a third of all construction jobs with little change in this proportion between fiscal years. The average neighborhood project is expected to generate 279 construction jobs, close to that of commercial projects. These projects show the lowest Action Grant dollars per job of the project categories ($5,700).

POTENTIAL HOUSING IMPACTS

This section discusses the estimated number of planned housing units in those Action Grant projects in which housing occurs. These units are examined in total and between new construction and rehabilitation. The number of projects with housing and the number of units in total and by type of housing are shown for metropolitan cities and small cities for the cumulative period and for each year. This is followed by a discussion of the distribution of estimated housing units by type of project, and for project types within metropolitan cities and small cities.

Distribution Among City Types

Of the total 521 projects receiving awards through the FY 1979 funding cycle, 160 involved housing. As shown in Table IV-14, there are 46,000 total housing units planned in these 160 projects of which 44 percent call for new construction, and 56 percent rehabilitation. The average number of total units (both new and rehab) per project is 287.

Table IV-12

URBAN DEVELOPMENT ACTION GRANTS
ESTIMATED HOUSING UNITS
BY CITY TYPE AND FISCAL YEAR

City Type Fiscal Year	Number of Projects Involving Housing	Total Housing Units			New Construction Units			Rehabilitated Units			Total Housing Units Pe Projec
		Number	Percent of City Type	Percent of Total Units	Number	Percent of City Type	Percent of Total Units	Number	Percent of City Type	Percent of Total Units	
All Cities											
Cum	160	45,919	100.0%	100.0%	20,231	100.0%	44.1%	25,688	100.0%	55.9%	287
1978	95	26,755	100.0	100.0	15,252	100.0	57.0	11,503	100.0	43.0	282
1979	65	19,164	100.0	100.0	4,979	100.0	26.0	14,185	100.0	74.0	295
Metro Cities											
Cum	91	38,210	83.2%	100.0%	14,397	71.2%	37.7%	23,813	92.7%	62.3%	420
1978	54	21,858	81.7	100.0	11,437	75.0	52.3	10,421	90.6	47.7	405
1979	37	16,352	85.3	100.0	2,960	59.5	18.1	13,392	94.4	81.9	442
Small Cities											
Cum	69	7,709	16.8%	100.0%	5,834	28.8%	75.7%	1,875	7.3%	24.3%	112
1978	41	4,897	18.3	100.0	3,815	25.0	77.9	1,082	9.4	22.1	119
1979	28	2,812	14.7	100.0	2,019	40.5	71.8	793	5.6	28.2	100

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Between FY 1978 and FY 1979, the number of projects with housing declined from 95 to 65 and the total number of planned housing units fell from almost 27,000 to 19,000. A substantial reduction in the number of new units more than offset a rise in rehab units. As a consequence, planned new units in FY 1979 accounted for only 26 percent of total units as compared to 57 percent in FY 1978; and rehab units rose from 43 percent of the total in FY 1978 to 74 percent in FY 1979. On the other hand, the average number of total units per project showed a slight rise in FY 1979, increasing from 282 to 296.

In the cumulative period, 91 projects in metropolitan cities show 38,000 planned total housing units. This represents 83 percent of the total units planned for all cities. New construction accounts for 38 percent of total planned units in metropolitan cities while 52 percent are to be rehabilitated. The average number of total housing units per project is 420. By type of unit, projects in metropolitan cities account for 72 percent of total new construction and 93 percent of all units to be rehabilitated.

The number of projects with housing in metropolitan cities declined from 54 to 37 between FY 1978 and FY 1979 and total housing units dropped from 22,000 to 16,000. This decline was concentrated in planned new construction units which fell from 52 percent of total units in FY 1978 to only 18 percent in FY 1979 while the percentage of units to be rehabilitated rose from 48 to 82 percent. In the cumulative period, 69 small city projects involved housing and accounted for 7,700 total units or 17 percent of total units planned for all cities. Over three-fourths of the total units in small cities involve new construction and about one-fourth are rehab. This is in marked contrast to the pattern in metropolitan cities where new construction is just over one-third and rehab accounts for slightly under two-thirds of total planned units. The average number of total units per project in small cities is 112 for the cumulative period which is significantly below the average of 420 in metropolitan cities.

There was a drop from 41 small city projects with housing in FY 1978 to 28 projects in FY 1979 and a sharp decline in planned total units from 4,900 to 2,800. As both new construction and rehabilitation showed reductions, there was not a significant change in the percentage of total units accounted for by each type between the two fiscal years. On the other hand, the percentage of new construction units planned for small cities rose from 25 percent of the total in FY 1978 to 40 percent in FY 1979 due to the very large decline in metropolitan city units between the two fiscal years.

Distribution Among Project Types

Table IV-13 shows the distribution of projects with housing and the number of planned housing units by type of project for the cumulative period and for FY 1978 and FY 1979 separately. Of the 160 projects with housing approved during the cumulative period, 19 occurred in industrial projects. The 3,000 total units involved represent only about seven percent of the total planned units in all project types. Of the total in industrial projects, just under three-fourths are new construction. The average total units per project is 156.

Between FY 1978 and FY 1979, the number of industrial projects with housing declined from 11 to 8, but total planned units were down over one-half from 2,100 to 890. While the number of units declined in both the new construction and rehabilitation categories, the percentage which industrial projects represented of all new construction units increased from 10 percent in FY 1978 to 13 percent in FY 1979, but for the rehabilitated units, this dropped from five percent to just under two percent. The average total units per project, reflecting the declines in projects with housing and total planned units, were down from 189 to 112 over the two fiscal years.

Table IV-13

URBAN DEVELOPMENT ACTION GRANTS
ALL CITIES
ESTIMATED HOUSING UNITS
BY PROJECT TYPE AND FISCAL YEAR

Project Type Fiscal Year	Number of Projects Involving Housing	Total Housing Units			New Construction Units			Rehabilitated Units			To Hou Uni Pr
		Number	Percent of Project Type	Percent of Total Units	Number	Percent of Project Type	Percent of Total Units	Number	Percent of Project Type	Percent of Total Units	
Total											
Cum	160	45,919	100.0%	100.0%	20,231	100.0%	44.1%	25,688	100.0%	55.9%	2
1978	95	26,755	100.0	100.0	15,252	100.0	57.0	11,503	100.0	43.0	2
1979	65	19,164	100.0	100.0	4,979	100.0	26.0	14,185	100.0	74.0	2
Industrial											
Cum	19	2,969	6.5%	100.0%	2,153	10.6%	72.5%	816	3.2%	27.5%	1
1978	11	2,077	7.8	100.0	1,501	9.8	72.3	576	5.0	27.7	1
1979	8	892	4.7	100.0	652	13.1	73.1	240	1.7	26.9	1
Commercial											
Cum	37	9,742	21.2%	100.0%	3,900	19.3%	40.0%	5,842	22.7%	60.0%	2
1978	27	6,503	24.3	100.0	3,313	21.7	51.0	3,190	27.7	49.0	2
1979	10	3,239	16.9	100.0	587	11.8	18.1	2,652	18.7	81.9	3
Neighborhood											
Cum	104	33,208	72.3%	100.0%	14,178	70.1%	42.7%	19,030	74.1%	57.3%	3
1978	57	18,175	67.9	100.0	10,438	68.5	57.4	7,737	67.3	42.6	3
1979	47	15,033	78.4	100.0	3,740	75.1	24.9	11,293	79.6	75.1	3

Source: Data Systems and Statistics Division,
Office of Management, CPD

Housing is involved in 37 commercial projects which received awards during the cumulative period. The total planned units of 9,700 represents over 21 percent of the total for all three project types. Of the total units in commercial projects, 60 percent are to be rehabilitated as compared to 28 percent in industrial projects. Commercial projects account for roughly one-fifth of the planned total in both new construction and rehabilitation activites. The average of 263 total units per commercial project is up sharply over the 156 in industrial projects.

Between FY 1978 and FY 1979 there was a major reduction in the number of commercial projects with housing -- from 27 to 10. The total number of planned units dropped just over one-half from 6,500 to 3,200. Most of the decline occurred in new construction which fell from 51 percent of the total units planned for commercial projects in FY 1978 to 18 percent in FY 1979. The drop in the percentage which commercial projects represented of all new construction units was from 22 to 12 and for rehabilitation from 28 to 19. Contrary to the across-the-board declines in housing in commercial projects, the average number of total units per project actually increased from 241 in FY 1978 to 324 in FY 1979.

As would be expected, the greatest amount of housing activity is taking place in neighborhood projects. For the cumulative period, 104 neighborhood projects involve housing as compared to 37 commercial and just 19 industrial projects. The total number of planned units in neighborhood projects of 33,000 represents over 72 percent of the total for all project types compared to 21 percent for commercial and seven percent for industrial projects. Neighborhood projects also account for over 70 percent of the total planned units involving both new construction and rehabilitation. The average 319 total units per project is also greater than the 263 for commercial and the 156 for industrial projects.

While there was a decline between FY 1978 and FY 1979 in both the number of neighborhood projects with housing and the total number of planned units in those projects, it was not nearly as substantial as were the declines for both commercial and industrial projects. Thus, although the number of neighborhood projects with a housing component fell from 57 to 47 and the total number of planned units from 18,000 to 15,000, the percent of total housing units in all project types occurring in neighborhood projects increased from 68 to 78 between the two periods.

Also, between the fiscal years of 1978 and 1979, while there was a large reduction in the number of units in neighborhood projects involving new construction, it was somewhat offset by a rise in rehabilitated units; as a consequence, the percentage of total units to be newly constructed fell from 57 to 25 and increased for units to be rehabilitated from 43 to 75. The average number of total planned units per project was essentially the same over the two fiscal years.

POTENTIAL FISCAL IMPACTS

In addition to generating employment and housing, Action Grant projects improve the fiscal base of distressed cities. This section discusses the expected impact of the FY 1979 Action Grant projects on taxable property value and property tax revenue. 2/ First, the expected increases among city types are examined. This is followed by a comparison between industrial, commercial, and neighborhood project types. Finally, the distribution of project types within each city type is discussed.

2/ Data on property value and tax revenue increases are only available for FY 1979 projects. Other local revenues, such as income and sales taxes, are also generated by the activities of these projects. However, data on these other sources are not currently available.

Distribution Among City Types

The 285 projects which were funded in FY 1979 are expected to generate an estimated $2.9 billion in increased taxable property (Table IV-14). This should translate into $52.8 million in estimated annual property tax increases. Each Action Grant project is expected to provide an average of $186,000 each year in increased property taxes, while each action grant will generate approximately $0.11 in increased property tax revenue.

Metropolitan cities will account for $2.5 billion, or 85 percent, of the estimated total taxable property value increase. The annual property tax increase per project is estimated to be $282,000, substantially more than for all cities. The property tax increase per Action Grant dollar of $0.11 is exactly the same as for all cities.

Table IV-14

URBAN DEVELOPMENT ACTION GRANTS
ESTIMATED FISCAL IMPACT
BY CITY TYPE, FY 1979 AWARDS

City Type	Number of Projects	Estimated Taxable Property Increase		Estimated Property Tax Increase		Property Tax Increase Per Project (000)	Property Tax Increase Per Action Grant Dollar
		Dollars (000)	Percent of City Type	Dollars (000)	Percent of City Type		
ALL CITIES	285	$2,905,963	100.0%	$52,888	100.0%	$186	$0.11
METRO CITIES	146	2,469,578	85.0	41,179	77.9	282	0.11
SMALL CITIES	139	436,385	15.0	11,709	22.1	84	0.11

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Small city projects account for 15 percent of the expected property value increase. This increase will generate about $12 million in new revenue, which is about 22 percent of the increased property tax revenue for all cities. Small city projects provide approximately $84,000 in increased property taxes per project. This is one-third the increase shown by metropolitan cities. However, the $0.11 increase in revenue per Action Grant dollar is exactly the same for small cities as for metropolitan cities.

Distribution Between Project Types

Table IV-15 shows that industrial projects will provide an estimated $1.2 billion in increased taxable property. This is 41 percent of the total increased property value. The increase in taxable industrial property will annually generate $15 million in increased taxes, which is 28.5 percent of the total property tax increases attributed to Action Grant projects. Industrial projects average $151,000 in increased property taxes with an increase of $0.13 in property taxes per Action Grant dollars.

Table IV-15

URBAN DEVELOPMENT ACTION GRANTS
ALL CITIES
ESTIMATED FISCAL IMPACT
BY PROJECT TYPE, FY 1979 PROJECTS

Project Type	Number of Projects	Estimated Taxable Property Increase		Estimated Property Tax Increase		Property Tax Increase Per Project (000)	Property Tax Increase Per Action Grant Dollar
		Dollars (000)	Percent of Project Type	Dollars (000)	Percent of Project Type		
INDUSTRIAL	100	$1,202,824	41.4%	$15,047	28.5%	$151	$0.13
COMMERCIAL	92	1,376,883	47.4	26,897	50.8	292	0.16
NEIGHBORHOOD	93	326,256	11.2	10,944	20.7	118	0.09
TOTAL	285	$2,905,963	100.0%	$52,888	100.0%	$186	$0.11

Source: Data Systems and Statistics Division,
Office of Management, CPD.

Commercial projects account for a slightly larger proportion of property value increase than industrial projects (47 percent compared to 41 percent), but a substantially larger share of estimated property tax increase (51 compared to 28 percent). The per project tax increase (292 thousand) is almost twice that of industrial projects. Commercial projects generate the highest return in increased taxes per Action Grant dollar (0.16).

Neighborhood projects are expected to have the smallest impact in terms of fiscal base improvement. They are responsible for only 11 percent of the total increase in taxable property and for 21 percent of increased property taxes. The projects account for an average increase in taxes per project of $118,000. Neighborhood projects will generate $0.09 in increased taxes per Action Grant dollar, the smallest increase for all project types.

Distribution Within Metropolitan Cities

Within metropolitan cities, industrial projects provide nearly 40 percent of estimated increased taxable property, but only 24 percent of the increased property taxes (Table IV-16).

Table IV-16

URBAN DEVELOPMENT ACTION GRANTS
METROPOLITAN CITIES
ESTIMATED FISCAL IMPACT
BY PROJECT TYPE, FY 1979 PROJECTS

Project Type	Number of Projects	Estimated Taxable Property Increase		Estimated Property Tax Increase		Property Tax Increase Per Project (000)	Property Tax Increase Per Action Grant Dollar
		Dollars (000)	Percent of Project Type	Dollars (000)	Percent of Project Type		
INDUSTRIAL	29	$982,913	39.8%	$9,999	24.3%	$345	$0.17
COMMERCIAL	58	1,256,834	50.0	23,483	57.0	405	0.11
NEIGHBORHOOD	59	229,831	9.3	7,697	18.7	131	0.08
TOTAL	146	$2,469,578	100.0%	$41,179	100.0%	$282	$0.11

Source: Data Systems and Statistics Division, Office of Management, CPD.

The average metropolitan city industrial project will generate an additional $245,000 in taxes. These projects will provide the highest estimated return on each Action Grant dollar ($0.17) of all the project types.

Commercial projects will provide more than 50 percent of the increase in taxable property value attributed to metropolitan projects. These projects also account for 57 percent of the estimated increased property taxes. Metropolitan commercial projects had the highest estimated per project tax increase of $405,000, but a lower property tax increase per Action Grant dollar than industrial projects ($0.11 versus $0.17).

Although neighborhood projects are the most numerous in metropolitan cities, they have the smallest percent of estimated increased taxable property and increased property tax. Metropolitan city neighborhood projects will generate an increase of $131,000 in property taxes per project. This is a considerably smaller increase than will be provided by either industrial or commercial projects. The property tax increase of $0.08 per Action Grant dollar also is the smallest increase for the three project types.

Distribution Within Small Cities

Within small cities, industrial projects will account for half of the increase in taxable property and 43 percent of increased property taxes. This is shown in Table IV-17. Nevertheless,

Table IV-17

URBAN DEVELOPMENT ACTION GRANTS
SMALL CITIES
ESTIMATED FISCAL IMPACT
BY PROJECT TYPE, FY 1979 PROJECTS

Project Type	Number of Projects	Estimated Taxable Property Increase		Estimated Property Tax Increase		Property Tax Increase Per Project (000)	Property Tax Increase Per Action Grant Dollar
		Dollars (000)	Percent of Project Type	Dollars (000)	Percent of Project Type		
INDUSTRIAL	71	$219,911	50.4%	$5,048	43.1%	$71	$0.08
COMMERCIAL	34	120,049	27.5	3,414	29.2	100	0.16
NEIGHBORHOOD	34	96,425	22.1	3,247	27.7	96	0.12
TOTAL	139	$436,385	100.0%	$11,709	100.0	$84	$0.11

Source: Data Systems and Statistics Division, Office of Management, CPD.

industrial projects are expected to average only $71,000 per project in property tax increases in small cities, the lowest average of all small city project types. Each Action Grant dollar awarded in a small city industrial project is expected to generate $0.09 in property tax increase.

Commercial projects will account for just over a quarter of estimated taxable property tax increases in small cities, and 29 percent of estimated property tax. Per project, this averages out to a $100,000 property tax increase. The $0.16 increase in property tax per dollar of Action Grant funds is the highest of the small city project categories, and almost the same as that found in metropolitan city industrial projects ($0.17).

Unlike metropolitan cities, small cities' neighborhood projects rival commercial as the most productive sources of increased taxable property and tax revenue. Neighborhood projects are estimated to account for 22 percent of planned increases in small city taxable property, and 28 percent of anticipated property tax increases. Each small city neighborhood project is expected to increase property taxes, on the average, by $96,000; and each dollar of Action Grant money in such projects corresponds in property taxes of $0.12.

POTENTIAL IMPACT ON LOW- AND MODERATE INCOME PERSONS

The Action Grant Program stresses the need for benefits to low- and moderate-income persons. This section examines these benefits in the form of two potential Program impacts: employment and housing. First, the share of new permanent jobs planned for low/moderate-income persons is discussed. Second, the portion of housing units that will be constructed or rehabilitated for the low/moderate-income housing market is covered.

EMPLOYMENT: LOW/MODERATE INCOME

This section discusses the number of new permanent jobs for persons with low and moderate income. It is based on plans for Action Grant projects approved in FY 1979, the only year for which data are available. It presents the total of jobs planned for low- and moderate-income people, and the proportion such jobs are of all planned new permanent employment.

Distribution Among City Types

Over 41,000 new permanent jobs are planned for low- and moderate-income persons in FY 1979. These represent 58 percent of all planned new permanent jobs (Table IV-18). Seventy percent of the

Table IV-18

Urban Development Action Grant
Estimated New Permanent Employment for Low/Moderate Income Population
FY 1979 Projects by City Type

City Type	Total New Permanent Jobs	Low/Mod New Permanent JOBS		Percent Low/Mod to Total
		Number	Percent	
All Cities	70,946	41,297	100.0%	58%
Metro Cities	48,639	28,795	70.0	59
Small Cities	22,307	12,502	30.0	56

Source: Data Systems & Statistics Division
Office of Management, CPD

jobs for low- and moderate-income persons will result from metropolitan city projects, and 30 percent from small city projects. The proportion of such jobs to total planned new permanent employment in both types of cities is about the same (56 to 59 percent).

Distribution Among Project Types

Both the largest number and the highest proportion of new employment opportunities planned for low- and moderate-income persons are in commercial projects (Table IV-19). Over half (53 percent) of planned jobs for these workers are in commercial projects, representing 62 percent of all planned new permanent employment in that type of project. Industrial projects account for 30 percent of all planned new permanent jobs for low- and moderate-income people.

Table IV-19

Urban Development Action Grant
Estimated New Permanent Employment for Low/Moderate Income Population
FY 1979 Projects by Project Type

Project Type	Total New Permanent Job	Low/Mod New Permanent Jobs		Percent Low/Mod to Total
		Number	Percent	
Industrial	22,517	12,221	29.6%	54%
Commercial	35,042	21,734	52.6	62
Neighborhood	13,387	7,342	17.8	55
Total	70,946	41,297	100.0%	58%

Source: Data Systems & Statistics
Division, Office of Management,
CPD

Distribution Within Metropolitan Cities

In metropolitan cities alone, commercial projects provide an even greater share of the total number of planned new permanent jobs for low- and moderate-income workers than in the program as a whole. Commercial projects account for two-thirds of the total planned numbers of such jobs in metropolitan cities, whereas industrial projects account for just 15 percent of the planned positions, as shown in Table IV-20. In both types of projects in metropolitan cities, the share of all jobs planned for low- and moderate-income workers is about the same (60 percent). Neighborhood projects in metropolitan cities account for 18 percent of the planned jobs for low- and moderate-income workers representing just over half of all planned new permanent employment in those projects.

Table IV-20

Urban Development Action Grant
Metropolitan Cities
Estimated New Permanent Employment for Low/Moderate Income Population
FY 1979 Projects by Project Type

Project Type	Total New Permanent Jobs	Low/Moderate New Permanent Jobs		Percent Low/Mod to Total
		Number	Percent	
Industrial	7,077	4,237	14.7%	60%
Commercial	31,508	19,301	67.0%	61
Neighborhood	10,054	5,257	18.3%	52
Total	48,639	28,795	100.0%	59%

Source: Data Systems & Statistics Division
Office of Management, CPD

Distribution Within Small Cities

In small cities, the pattern among project types is distinctly different from metropolitan cities. In small cities, industrial projects are the dominant producers of planned new permanent jobs for low- and moderate-income persons, accounting for 64 percent of the total (Table IV-21). However, the low- and moderate income portion is only half of all planned new permanent employment in small city industrial projects, the smallest share of any type of project. Commercial projects, on the other hand,

Table IV - 21

Urban Development Action Grant
Small Cities
Estimated New Permanent Employment for Low/Moderate Income Population
FY 1979 Projects by Project Type

Project Type	Total New Permanent Jobs	Low/Mod New Permanent Jobs Number	Low/Mod New Permanent Jobs Percent	Percent Low/Mod to Total
Industrial	15,440	7,984	63.9%	52%
Commercial	3,042	2,433	19.5%	80
Neighborhood	3,333	2,085	16.7	62
Total	22,307	12,502	100.0%	56%

Source: Data Systems & Statistics Division
Office of Management, CPD

will provide just 20 percent of the planned new permanent employment for low- and moderate-income people, even though 80 percent of all planned new permanent jobs in small city commercial projects are designated for low- and moderate-income persons. Neighborhood projects in small cities will provide 17 percent of all planned new permanent jobs for low- and moderate-income people. Sixty-two percent of all small city neighborhood jobs are planned for such workers.

LOW/MODERATE-INCOME HOUSING

A portion of the housing units generated by Action Grant projects are geared to persons of low and moderate income. This section discusses the expected number of low- and moderate-income housing units that will either be constructed or rehabilitated as a result of FY 1979 Action Grant projects.

Distribution Among City Types

For FY 1979 projects, an estimated 19,100 housing units will be constructed or rehabilitated. Of these, 7,806 (41 percent) will be for persons of low and moderate income (Table IV-22). Although metropolitan city projects had a much larger share of these housing units (36 percent), the percent of low/moderate-income housing units to total units for metropolitan and small cities projects was almost identical (41 and 39 percent, respectively).

Table IV- 22

Estimated Housing Units for Low/Moderate
Income Population by City Type
FY 1979 Projects

City Type	Total Housing Units	Low/Mod. Housing Units		% Low/Mod. to Total
		number	%	
All Cities	19,164	7,858	100.0	41.0
Metro Cities	16,352	6,767	86.1	41.4
Small Cities	2,812	1,091	13.9	38.8

Source: Data Systems & Statistics Division,
Office of Management,
CPD

Distribution Among Project Types

As would be expected, industrial and commercial projects will provide relatively few of the low- and moderate-income housing units (Table IV-23). Overall, neighborhood projects will account for the largest number of low- and moderate income units (76 percent). However, in terms of the percent of low and moderate to total units, over half of the industrial units will be low and moderate compared to 42 percent for commercial projects fo neighborhood.

Table IV-23

Estimated Housing Units for Low/Moderate Income
Population for All Cities by Project Type
FY 1979 Projects

Project Type	Total Housing Units	Low/Mod. Housing Units		% Low/Mod. to Total
		number	%	
Industrial	892	503	6.4	56.4
Commercial	3,239	1,378	17.5	42.5
Neighborhood	15,033	5,977	76.1	39.8
Total	19,164	7,858	100.0	41.0

Source: Data Systems & Statistics Division,
Office of Management,
CPD

CHAPTER V

PROGRESS TOWARD ACHIEVING POTENTIAL IMPACTS

This chapter examines progress in meeting potential impacts in Action Grant projects. It first addresses progress in the development of projects, examining investment expenditure and construction rates. Progress in achieving specific impacts is discussed next: new permanent employment, construction jobs, housing, city fiscal gains, employment and housing for low- and moderate-income people. The chapter is based on planned accomplishments data compiled for a sample of 235 cities with completed Grant Agreements, as described in Appendix C, and on Action Grant monitoring reports for those cities, as of the end of Fiscal Year 1979. 1/

SUMMARY OF FINDINGS

Major findings from this analysis of progress in meeting planned accomplishments, taken from the study of the 235 project Grant Agreement sample, are as follows:

About one-sixth of both planned Action Grant and private investment has taken place as of the end of Fiscal Year 1979. Metropolitan and small city projects have expended Action Grant funds at about the same rate; small cities have expended private investment at a somewhat higher rate. Industrial projects expended both Action Grant and private funds at the highest rate.

Eight percent of all planned new permanent jobs have been created in the projects in the study sample. In those projects which have begun hiring workers, almost a quarter of planned new permanent jobs are now in place. Slightly over half of all jobs which have actually been created are in small city projects; and almost 80 percent of these are in industrial projects. The rate of progress in creating planned jobs in industrial projects is also greater than the rate of progress for the other project types. Altogether, the 235 projects in the Grant Agreement sample to date have created 5,100 new permanent jobs, and been responsible for retaining some 27,000 existing jobs.

1/ Progress data in this chapter are derived from the Fourth Quarter, FY 1979 Quarterly Progress Reports submitted by grantees. Since the report was new at that time, and grantees had not yet become thoroughly familiar with definitions and procedures, these first statistical progress results may contain errors.

In addition to new permanent employment, 8,800 construction jobs have been created to date, a fifth of the total planned, and almost half of the planned levels for projects which have begun hiring construction workers. Slightly over half of these construction jobs are in metropolitan cities. Small city industrial projects have shown the greatest rate of progress in creating the planned number of construction positions.

A quarter of planned housing is under construction or rehabilitation as of the end of Fiscal Year 1979, though only five percent has yet actually been completed. In those projects in which the work has been underway, over three-quarters of planned units are presently constructed and rehabilitated, or are complete. In a few of the early projects to complete planned housing, the number of units completed has exceeded the number initially anticipated by as much as 40 percent.

Twenty projects have reported property tax revenues already generated by Action Grant projects--totalling three-quarters of a million dollars annually. In metropoltian cities, commercial projects have accounted for the greatest share of these revenue gains, and in small cities, industrial projects have been the largest contributors.

Benefits for persons of low and moderate income have progressed in Action Grant projects at rates consistent with those for all projects. In projects which have begun hiring permanent workers, over 40 percent of planned jobs for low- and moderate-income workers are in place. Most of these jobs are in small cities. A fifth of the planned housing for low- and moderate-income residents is complete or under development as of the end of Fiscal Year 1979.

INVESTMENT EXPENDITURE PROGRESS

This section discusses one measure of progress in carrying out Action Grant projects: the rate at which planned investment is being spent. Expenditure rates for both planned Action Grant and planned private sector investment are examined. To do this, two methods are utilized. The first measures expenditure rates in terms of the percentage of planned investment that was spent through the end of FY 1979, the period covered by this Report. The second method also measures these rates in terms of expenditures/planned investment, but only for those projects that were under way at the end of FY 1979 (as evidenced by some expenditures having been made).

Spending Among City Types

Progress toward completing Action Grant projects in the grant agreements sample is substantial. The first metropolitan city grants were announced in April 1978, and the first small city grants in August of that year. By September 30, 1979 (the end of FY 1979), the sample projects had spent 17 percent of planned Action Grant investment and 15 percent of planned private investment (Table V-1).

For projects that were underway, progress was, of course, even more rapid. Among projects that had expended Action Grant funds, fully 37 percent of planned Action Grant investment had been spent. Among projects that had expended private funds, 21 percent of planned private investment had been spent.

Both metropolitan and small city projects display almost exactly the same Action Grant spending pattern as that of all projects. Private investment spending, however, is more varied. Among metropolitan city projects, only 11 percent of planned private investment had been spent at fiscal year-end. For projects underway, the percentage was higher, 16 percent, but still below the comparable figure for all projects (21 percent).

In contrast to metropolitan cities, small city projects were spending planned private investment at a faster pace than that for all projects. They spent 24 percent of such investment (in contrast to 15 percent for all projects).

TABLE V-1

URBAN DEVELOPMENT ACTION GRANTS
PRIVATE PLANNED INVESTMENTS AND EXPENDITURES
BY CITY TYPE
THE 235 GRANT AGREEMENTS SAMPLE

City Type	Expenditures Dollars (000)	Planned Investment Dollars (000)	Expenditures as Percent of Planned Investment	No. of Projects With Expenditures	Planned Investment in Projects With Expenditures (000)	Expenditures as Percent of Planned Investment
ACTION GRANT INVESTMENT						
All Cities	$69,144 (100%)	$401,371	17.2%	99	$185,768	37.2%
Metropolitan Cities	50,963 (74%)	301,552	16.9	46	138,579	36.8
Small Cities	18,181 (26%)	99,819	18.2	53	47,181	38.5
PRIVATE INVESTMENT						
All Cities	$385,532 (100%)	$ 2,512,239	15.3%	156	1,822,589	21.2%
Metropolitan Cities	191,340 (50%)	1,711,398	11.2	70	1,180,441	16.2
Small Cities	194,192 (50%)	800,841	24.2	86	642,148	30.2

Source: Urban Studies Division,
Office of Evaluation, CPD

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Spending Among Project Types

Table V-2 shows the pattern of expenditure rates among the three project types. Industrial projects display the highest expenditure rates, considerably above the rates prevailing for all projects, having spent 28 and 23 percent, respectively, of planned Action Grant and private sector investment. For industrial projects underway, expenditure rates were even higher, reaching a full 55 percent in the case of Action Grant investment and 29 percent in the case of private investment.

Commercial project expenditure rates rank behind those of industrial projects, at just about the same levels as the rates prevailing for all projects. They were 18 and 13 percent, respectively, for planned Action Grant and private investment.

Expenditure rates for neighborhood projects lag behind those for commercial projects about as much as they lag behind the rates for industrial projects. Five percent of planned Action Grant investment had been spent by the end of FY 1979, and only six percent of planned private investment.

TABLE V-2

URBAN DEVELOPMENT ACTION GRANTS
PRIVATE PLANNED INVESTMENTS AND EXPENDITURES
ALL CITIES, BY PROJECT TYPE
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Expenditures Dollars (000)	Planned Investment Dollars (000)	Expenditures as Percent of Planned Investment	No. of Projects With Expenditures	Planned Investment in Projects With Expenditures (000)	Expenditure as Percent of Planned Investment
ACTION GRANT INVESTMENT						
Industrial	$34,781 (50.3%)	$124,309	28.0%	47	63,598	54.7%
Commercial	29,255 (42.3%)	167,106	17.5%	27	85,781	34.1
Neighborhood	5,107 (7.4%)	109,956	4.6	25	36 389	14.0
Total	$69,144 (100.0%)	$401,371	17.2%	99	185,768	37.2%
PRIVATE INVESTMENT						
Industrial	$220,220 (57.1%)	$ 972,190	22.7%	70	751,143	29.3%
Commercial	136,022 (35.3%)	1,049,986	13.0	46	788,741	17.2
Neighborhood	29,290 (7.6%)	490,063	6.0	40	282,705	10.4
Total	$385,532 (100.0%)	$2,512,239	15.3%	156	1,822,589	21.2%

Source: Urban Studies Division
Office of Evaluation, CPD

Spending Among Metropolitan City Projects

Expenditure rates among metropolitan city project types follow the same patterns as those just disclosed for all cities. Industrial projects have the highest expenditure rates, with commercial and neighborhood projects following behind in that order.

Metropolitan city industrial projects display the highest expenditures for planned Action Grant investment of any city and project type combination (Table V-3). They had spent 29 percent of such investment through the end of FY 1979 (a full 61 percent in the case of projects underway). These projects also had high expenditure rates for planned private sector investment: 17 percent for all metropolitan city industrial projects and 24 percent for such projects that were underway.

Commercial projects in metropolitan cities have expenditure rates like those for all metropolitan city projects. About 20 percent and 12 percent, respectively, of planned Action Grant and private investment had been spent.

Metropolitan city neighborhood projects lag behind the other project types in spending. Only three percent of planned Action Grant investment and four percent of planned private investment was spent.

Spending Among Small City Projects

Expenditure rates among small city project types follow a different pattern than that among metropolitan city projects. For planned Action Grant investment, industrial projects still have the highest expenditure rates, but neighborhood projects are spending at a faster pace than commercial projects. For planned private investment, however, commercial projects have out-distanced neighborhood ones; indeed, they are not far behind industrial projects.

Industrial projects in small cities have the highest expenditures for planned private investment of any city and project type combination (Table V-4). About 27 percent of such investment was spent (fully 32 percent of planned private investment in the case of industrial projects underway). Small city industrial projects also displayed high expenditure rates for planned Action Grant investment: 27 percent for all such projects and 47 percent for the projects that were underway.

Small city commercial projects have relatively low Action Grant investment expenditures (6 percent) and relatively high private investment expenditures (20 percent). Expenditures in the projects underway were somewhat closer: 23 percent for Action Grant investment and 32 percent for private investment.

Neighborhood projects in small cities have relatively high expenditure rates. About 11 percent of planned Action Grant investment and 21 percent of planned private investment had been spent.

TABLE V-3

URBAN DEVELOPMENT ACTION GRANTS
PRIVATE PLANNED INVESTMENTS AND EXPENDITURES
METROPOLITAN CITIES, BY PROJECT TYPE
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Expenditures Dollars (000)	Planned Investment Dollars (000)	Expenditures as Per-cent of Planned Investment	No. of Projects With Expenditures	Planned Investment in Projects With Expenditures (000)	Expenditures as Percent of Planned Investment
ACTION GRANT INVESTMENT						
Industrial	$20,207 (39.7%)	$ 70,088	28.8%	15	$ 32,905	61.4%
Commercial	27,720 (54.3%)	139,880	19.8	17	79,179	35.0
Neighborhood	3,036 (6.0%)	91,584	3.3	14	26,495	11.5
Total	$50,963 (100.0%)	$301,552	16.9%	46	$138,579	36.8%
PRIVATE INVESTMENT						
Industrial	$ 67,387 (35.2%)	$405,892	16.6%	23	$278,393	24.2%
Commercial	107,707 (56.3%)	905,047	11.9	28	700,324	15.4
Neighborhood	16,246 (8.5%)	400,459	4.1	19	201,724	8.1
Total	$191,340 (100.0%)	$1,711,398	11.2%	70	$1,180,441	16.2%

Source: Urban Studies Division
Office of Evaluation, CPD

TABLE V-4

URBAN DEVELOPMENT ACTION GRANTS
PRIVATE PLANNED INVESTMENTS AND EXPENDITURES,
SMALL CITIES, BY PROJECT TYPE
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Expenditures Dollars (000)	Planned Investment Dollars (000)	Expenditures as Per-cent of Planned Investment	No. of Projects With Expenditures	Planned Investment in Projects With Expenditures (000)	Expenditures as Percent of Planned Investment
ACTION GRANT INVESTMENT						
Industrial	$14,574 (80.2%)	$54,221	26.9%	32	$30,693	47.5%
Commercial	1,535 (8.4%)	27,226	5.6	10	6,602	23.3
Neighborhood	2,071 (11.4%)	18,372	11.3	11	9,894	20.9
Total	$18,181 (100.0%)	$99.819	18.2%	53	$47,189	38.5%
PRIVATE INVESTMENT						
Industrial	$152,832 (78.7%)	$566,298	27.0%	47	$472,750	32.3%
Commercial	28,315 (14.6%)	144,939	19.5	18	88,417	32.0
Neighborhood	13,045 (6.7%)	89,604	14.6	21	80,981	16.1
Total	$194,192 (100.0%	$800,841	24.2%	86	$642,148	30.2%

Source: Urban Studies Division
Office of Evaluation, CPD

EMPLOYMENT PROGRESS: PERMANENT JOBS

This section examines the number of permanent jobs which have actually been created in Action Grant projects, as of the end of FY 1979, based on the sample of 235 projects which completed grant agreements. It discusses the number and percent of planned new jobs actually created so far, the proportion of new jobs created in projects which have actually begun to hire workers, and the number of retained permanent jobs.

Progress By City Type

Overall, 5,102 new permanent jobs have been created as of the end of FY 1979, as shown in Table V-5. 2/ This represents 8 percent of all planned jobs, and 23 percent of planned jobs in the 67 projects which have started to create them. In all projects in the sample, there are 27,000 jobs being retained. 3/

TABLE V-5

URBAN DEVELOPMENT ACTION GRANTS
PERMANENT JOBS (NEW AND RETAINED) PLANNED
AND CREATED, BY CITY TYPE
THE 235 GRANT AGREEMENTS SAMPLE

City Type	New Permanent Jobs						Retained Jobs
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs	
All Cities	5,102 (100.0%)	66,315 (100.0%)	7.7%	67	21,836 (100.0%)	23.4%	26,969 (100.0%)
Metropolitan Cities	2,218 (43.5%)	41,153 (62.1%)	5.4	24	13,201 (60.5%)	16.8	21,446 (79.5%)
Small Cities	2,884 (56.5%)	25,162 (37.9%)	11.5	43	8,635 (39.5%)	33.4	5,523 (20.5%)

Source: Urban Studies Division
Office of Evaluation
CPD

2/ The tally from all grantees returning a quarterly progress report indicated that 5,563 new permanent jobs were created by 83 projects.

3/ In this analysis of the 235 projects retained jobs were defined as those which would be lost were it not for the project. To be coded as retained, the private firm(s) supported by the grant had to indicate that it was closing or leaving the jurisdiction. Retained job figures are not included in the signed agreements. Retained job statistics were derived from application forms and supporting application file data.

Metropolitan city projects account for 43 percent of the total new jobs which have actually been created -- just over 2,200 jobs. After one and one-half years of Program operation, this represents five percent of all planned metropolitan city project jobs, and 17 percent of planned jobs in 24 metropolitan city projects which have begun hiring. Eighty percent of the retained jobs are in metropolitan city projects.

Small city projects account for 57 percent of total created new jobs. In small cities, 11 percent of all planned new jobs have been created. One-third of the planned jobs have been created in the 43 small city projects which have created employment. Twenty percent of the retained jobs are in small city projects.

Progress By Project Type

Industrial projects, compared to the other project types, have created the most jobs during the limited period of Program operation. This is shown in Table V-6. Industrial projects account for 79 percent of total new jobs which have been created thus far -- 4,032 positions. This is 15 percent of planned new jobs in industrial projects and one-third of planned new jobs in 35 industrial projects which are far enough along to start hiring. Fifty-four percent of the retained jobs are in industrial projects.

TABLE V-6

URBAN DEVELOPMENT ACTION GRANTS
PERMANENT JOBS (NEW AND RETAINED) PLANNED AND CREATED, BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	New Permanent Jobs						Retained Jobs
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs	
Industrial	4,032 (79.1%)	26,882 (40.5%)	15.0%	35	12,208 (55.9%)	33.0%	14,537 (53.9%)
Commercial	813 (15.9%)	29,216 (44.1%)	2.8	21	8,743 (40.0%)	9.3	11,136 (41.3%)
Neighbor-hood	257 (5.0%)	10,217 (15.4%)	2.5	11	885 (4.1%)	29.0	1,296 (4.8%)
Total	5,102 (100.0%)	66,315 (100.0%)	7.7%	67	21,836 (100.0%)	23.4%	26,969 (100.0%)

Source: Urban Studies Division
Office of Evaluation, CPD

Commercial projects are not as far along as industrial projects in creating jobs. So far, commercial projects account for 16 percent of the total number of new jobs which have been created. They have created 3 percent of all new jobs planned for commercial projects, and 9 percent of planned new jobs in the 21 commercial projects in which any have been created. Commercial projects account for 41 percent of retained jobs.

Neighborhood projects account for 5 percent of the total number of new jobs actually created in the sample as of the end of FY 1979. These projects have so far created 3 percent of these planned new jobs and 29 percent of the planned new jobs in the 11 neighborhood projects which have created any jobs. Five percent of the retained jobs are in neighborhood projects.

Progress Within Metropolitan Cities

Within metropolitan cities, industrial projects have created 69 percent of the total new jobs created (Table V-7). This represents 12 percent of the planned metropolitan city industrial project new jobs, and 31 percent of planned new jobs in the nine projects which have created some employment already. Industrial projects account for half of all retained jobs in metropolitan cities.

Commercial projects in metropolitan cities account for a slightly larger proportion of all created jobs than they do in the Program as a whole--26 percent. Commercial projects in metropolitan cities have created 3 percent of their planned new employment; and seven percent of the planned new employment in the 11 commercial projects in which hiring is underway. Commercial projects account for 46 percent of retained jobs in metropolitan cities.

As in the Program as a whole, neighborhood projects in metropolitan cities have created few jobs so far--only 5 percent of total created new jobs and only one percent of planned new neighborhood jobs in metropolitan cities. Progress is greater for those four projects which have created some jobs. They have created 40 percent of their total new planned jobs. Neighborhood projects account for only 4 percent of retained jobs in metropolitan cities in the sample.

TABLE V-7

URBAN DEVELOPMENT ACTION GRANTS
PERMANENT JOBS (NEW AND RETAINED) PLANNED AND CREATED, BY PROJECT TYPE
METROPOLITAN CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	New Permanent Jobs						Retained Jobs
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs	
Industrial	1,530 (69.0%)	12,810 (3.1%)	11.9%	9	4,999 (37.9%)	30.6%	10,820 (50.4%)
Commercial	579 (26.1%)	20,220 (49.2%)	2.9	11	7,931 (60.0%)	7.3	9,942 (46.4%)
Neighborhood	109 (4.9%)	8,123 (19.7%)	1.3	4	271 (2.1%)	40.2	684 (3.2%)
Total	2,218 (100.0%)	41,153 (100.0%)	5.4%	24	13,201 (100.0%)	16.8%	21,446 (100.0%)

Source: Urban Studies Division,
Office of Evaluation, CPD

Progress Within Small Cities

In small cities in the sample, most progress in creating jobs is in industrial projects. Small city industrial projects have created 87 percent of all jobs which are in place in small cities (Table V-8). This is 18 percent of planned small city new industrial jobs, and 35 percent of planned new jobs in the 26 small city industrial projects have begun hiring. Small city industrial projects account for two-thirds of retained jobs in those cities.

Small city commercial projects have produced 8 percent of all small city jobs so far. As in metropolitan cities, small city commercial projects have created few of their planned new jobs yet--only 3 percent in the 10 commercial projects in small cities have begun hiring; however, 29 percent of the planned new employment has been created. Commercial projects account for 22 percent of small city retained jobs.

Neighborhood projects in small cities are modest contributors to current progress in creating jobs--accounting for only 5 percent of all new jobs created in small cities. Neighborhood projects have created 7 percent of their planned new employment, and 24 percent of the planned new employment in the seven projects which are underway in small cities.

TABLE V-8

URBAN DEVELOPMENT ACTION GRANTS
PERMANENT JOBS (NEW AND RETAINED) PLANNED AND CREATED, BY PROJECT TYPE
SMALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	New Permanent Jobs						Retained Jobs
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs	
Industrial	2,502 (86.8%)	14,072 (55.9%)	17.8%	26	7,209 (83.5%)	34.7%	3,717 (67.3%)
Commercial	234 (8.1%)	8,996 (35.8%)	2.6	10	812 (9.4%)	28.8	1,194 (21.6%)
Neighborhood	148 (5.1%)	2,094 (8.3%)	7.1	7	614 (7.1%)	24.1	612 (11.1%)
Total	2,884 (100.0%)	25,162 (100.0%)	11.5%	43	8,635 (100.0%)	33.4%	5,523 (100.0%)

Source: Urban Studies Division
Office of Evaluation, CPD

EMPLOYMENT PROGRESS: CONSTRUCTION JOBS

This section addresses construction jobs in Action Grant projects which are planned and have been created. Construction employment can make important contributions to a local economy. Even though it is not permanent, it is often one of the first direct economic benefits from an Action Grant project.

Progress Among City Types

Eighty-eight hundred construction jobs have been created in 235 Action Grant projects in the Grant Agreement sample, as of the end of Fiscal Year 1979. 4/ This represents 22 percent of all construction jobs planned, as shown in Table V- 9, and 45 percent of the planned construction employment in the 106 projects which have begun hiring construction workers.

TABLE V-9

URBAN DEVELOPMENT ACTION GRANTS
CONSTRUCTION JOBS PLANNED AND CREATED, BY CITY TYPE
THE 235 GRANT AGREEMENTS SAMPLE

City Type	Construction Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
All Cities	8,759 (100.0%)	39,277 (100.0%)	22.3%	106	20,120 (100.0%)	43.5%
Metropolitan Cities	4,887 (55.8%)	27,553 (70.2%)	17.7	47	13,430 (66.7%)	36.4
Small Cities	3,872 (44.2%)	11,724 (29.8%)	33.0	59	6,690 (33.3%)	57.9

Source: Urban Studies Division,
Office of Evaluation, CPD

Over half, 56 percent, of construction jobs which have been created are in metropolitan cities. Metropolitan city projects, however, have hired just 18 percent of the planned number of construction workers. In the 47 projects which have begun to hire construction workers in metropolitan cities, 36 percent of the employment has been created.

4/ The tally from all grantees returning a quarterly progress report indicated that 11,993 construction jobs have been created by 153 projects.

Small cities account for 44 percent of all construction positions created. Small city projects are farther along than metropolitan cities in meeting planned employment levels. One-third of all planned construction workers have been hired in small cities, and in the 59 small city projects which have already started to create positions for construction workers, 58 percent of the planned number of jobs have been created.

Progress Among Project Types

Of the different project types, industrial projects have created the most, and the greatest proportion of, construction jobs. Fifty-one percent of all construction jobs which have been created so far are in industrial projects (Table V-10). In these projects, 41 percent of all planned construction jobs have been created. In the 49 industrial projects which have actually hired construction workers, two-thirds of the planned employment has occurred.

Commercial projects have the greatest number of planned construction positions, but so far have created only 38 percent of the extant jobs. Just 18 percent of the construction employment planned in all commercial projects has been created; this represents 32 percent of the planned employment for construction in the 34 commercial projects which have begun hiring for this purpose.

Neighborhood projects account for 11 percent of the construction employment which has been created. Progress in these projects lags behind the other project types; only 9 percent of planned construction

TABLE V-10

URBAN DEVELOPMENT ACTION GRANTS
CONSTRUCTION JOBS PLANNED AND CREATED, BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Construction Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
Industrial	4,475 (51.1%)	10,794 (27.5%)	41.5%	49	6,632 (33.0%)	67.5%
Commercial	3,291 (37.6%)	17,803 (45.3%	18.5	34	10,206 (50.7%)	32.2
Neighborhood	993 (11.3%)	10,680 (27.2%)	9.3	23	3,282 (16.3%)	30.3
Total	8,759 (100.0%)	39,277 (100.0%)	22.3%	106	20,120 (100.0%)	43.5%

Source: Urban Studies Division
Office of Evaluation, CPD

jobs in neighborhood projects has been created. In the 23 neighborhood projects which have begun creating construction positions, however, 30 percent of the planned employment has been created.

HOUSING PROGRESS

This section discusses progress in undertaking and completing the rehabilitation and new construction of planned housing, based on the 235 project sample. It reports on the proportion of planned housing rehabilitation and construction which was complete, as of the end of Fiscal Year 1979, and the proportion of planned housing in which construction or rehabilitation was underway or complete.

Progress Among City Types

Overall, five percent of all planned housing construction and rehabilitation was complete as of the end of Fiscal Year 1979, and a quarter of the planned housing was underway as shown in Table V-11.5/ Of the 235 projects in the Grant Agreements sample, the five percent represents 519 completed housing units, and 2,085 under construction. In those projects which have actually begun construction or rehabilitation of housing, 77 percent of the planned units are completed or underway.

TABLE V-11

URBAN DEVELOPMENT ACTION GRANTS
HOUSING UNITS PLANNED, COMPLETED AND UNDER CONSTRUCTION BY CITY TYPE
THE 235 GRANT AGREEMENTS SAMPLE

ty Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed Or Under Construction	No. Of Projects With Units Completed Or Under Construction	Units Planned In Those Projects	Percent Of Planned Units Completed Or Under Construction
l Cities	519	2085	10,392	5.0%	25.1%	23	3382	77.0%
tropolitan Cities	323	1722	8,297	3.9	24.6	11	2580	79.3
ll Cities	196	363	2,095	9.4	26.7	12	802	69.7

Source: Urban Studies Division
Office of Evaluation, CPD

5/ The tally for all grantees returning a quarterly progress report indicated that 4,042 housing units are under construction and 1,035 units are completed. These figures imply that the uncoded projects with signed agreement may have proportionally more housing units planned than the 235 coded ones.

The rate of progress for projects in metropolitan cities is similar to the total. Four percent of the planned housing is completed, and a quarter underway, representing 323 completed units and 1,722 underway in the 235 project sample. Almost 80 percent of the units are underway in projects in which housing construction has begun.

In small cities, the rate of completion is a bit higher than metropolitan cities. Nine percent of the planned housing units are completed in small cities and almost 27 percent are completed or under construction or rehabilitation. Of those projects in which housing construction or rehabilitation has started, 70 percent of the planned units are under construction or rehabilitation.

Progress Among Project Types

Although most of the planned housing is found in neighborhood projects, there is some in all types of projects, with similar progress rates in most instances. These data are shown in Table V-12. Four percent of planned housing units projects classified as industrial (because of their primary thrust) are completed, projects with construction or rehabilitation of housing underway, and work is completed or undertaken on 86 percent of the planned units.

A much larger proportion of housing in commercial projects are completed--17 percent--than in other types of projects; but when combined with housing under construction or rehabilitation, the proportion--27 percent--is similar to the total. In those commercial projects in which housing construction or rehabilitation has begun, actually 30 percent more housing is being developed than was planned.

TABLE V-12

URBAN DEVELOPMENT ACTION GRANTS
HOUSING UNITS PLANNED, COMPLETED AND UNDER CONSTRUCTION BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed Or Under Construction	No. Of Projects With Units Completed Or Under Con-struction	Units Planned In Those Projects	Percent Of Planned Units Completed Or Under Con-struction
Industrial	11	53	296	3.7%	21.6%	2	74	36.5%
Commercial	385	223	2253	17.1	29.0	4	460	131.3
Neighborhood	123	1809	7843	1.6	32.4	17	2848	89.2
Total	519	2005	10,392	50.0%	25.1%	23	3382	77.0%

Source: Urban Studies Division,
Office of Evaluation, CPD

In neighborhood projects, where most housing is planned, the completion rate is relatively low--two percent; but the proportion of housing units under rehabilitation and construction or completed is greater than in other types of projects--32 percent. Almost 90 percent of the units planned in those neighborhood projects which have begun work on housing, are underway or completed.

Progress Within Metropolitan Cities

Within metropolitan cities the pattern is similar to the totals, except for the industrial category in which none of the 200 planned housing units are underway (Table V-13). Thirteen percent of the housing in commercial projects is completed and the total completed or underway is 23 percent. In three metropolitan city commercial projects in which housing construction and rehabilitation has started, over 40 percent more housing is being developed than was planned. Less than one percent of metropolitan city neighborhood housing units are completed, but together with those under construction and rehabilitation, or are completed, the units total 26 percent. Seventy percent of planned units in metropolitan neighborhood projects in which housing work has started are actually being constructed or are completed.

TABLE V-13

URBAN DEVELOPMENT ACTION GRANTS

HOUSING UNITS PLANNED, COMPLETED AND UNDER CONSTRUCTION BY PROJECT TYPE
METROPOLITAN CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed or Under Construction	No. of Projects with units completed or under Construction	Units Planned In Those Projects	Percent Of Planned Units Completed Or Under Construction
Industrial	0	0	200	0.0 %	0.0%	0	0	0.0%
Commercial	267	223	2120	12.6	23.1	3	342	143.3
Neighborhood	56	1499	5977	0.9	26.0	8	2230	69.5
Total	323	1722	8297	3.9 %	24.6%	11	2580	79.3 %

Source: Urban Studies Division,
Office of Evaluation, CPD

Progress Within Small Cities

Small city completion rates in different types of projects are generally similar to those in metropolitan cities, as shown in Table V-14. Eleven percent of small city planned units are completed; and two-thirds are completed or underway. In the two small city industrial projects with housing construction, 86 percent of the units are underway or finished. The highest completion rates of all project and city types are in small city commercial projects, though the number of units involved is small. Eighty-nine percent of planned units in such projects are completed, representing all of the planned units in the one project which had actually initiated housing development. In small city neighborhood projects, four percent of the planned housing units are completed, and 20 percent are completed or underway, with rates lagging somewhat behind all projects. Sixty-two percent of the housing planned in small city neighborhood projects which have begun housing development are completed or underway.

TABLE V-14

URBAN DEVELOPMENT ACTION GRANTS
HOUSING UNITS PLANNED, COMPLETED AND UNDER CONSTRUCTION BY PROJECT TYPE
SMALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed Or Under Construction	No. of Projects With Units Completed Or Under Construction	Units Planned In Those Projects	Percent Of Planned Units Completed Or Under Constructi
Industrial	11	53	96	11.4 %	66.7 %	2	74	86.5 %
Commercial	118	0	133	88.7	80.7	1	118	100.0
Neighborhood	67	310	1866	3.6	20.2	9	610	61.8
Total	196	363	2095	9.4 %	26.7 %	12	802	69.7 %

Source: Urban Studies Division
Office of Evaluation, CPD

FISCAL PROGRESS

Another benefit from Action Grant-assisted development is the potential for generating increased local tax revenues from the enhanced value of developed land. This section examines the actual annual property tax revenue increases reported by projects with development completed or underway.

Progress Among City Types

As Table V-15 shows, 20 projects (of the 235 in the Grant Agreements sample) have reported property tax revenues generated from the Action Grant projects, as of the end of Fiscal Year 1979. 5/ These projects report an annual total of $726,226 in tax revenues, averaging $36,311 per project.

Table V-15

URBAN DEVELOPMENT ACTION GRANTS
TAX REVENUES GENERATED, BY CITY AND PROJECT TYPE
THE 235 GRANT AGREEMENTS SAMPLE

City/ Project Type	Property Tax Revenue Generated	Percent	Number of Projects With Tax Revenue Generated	Average Tax Revenue Generated
All Cities				
Industrial	$439,094	60%	11	$39,917
Commercial	212,748	29	5	42,549
Neighborhood	74,384	10	4	18,596
Total	$726,226 (100.0%)	100%	20	$36,311
Metropolitan Cities				
Industrial	$156,695	43%	4	$39,174
Commercial	195,148	53	3	65,049
Neighobrhood	14,139	4	2	7,159
Total	$366,162 (50.4%)	100%	9	$40,685
Small Cities				
Industrial	$282,399	78%	7	$40,343
Commercial	17,600	5	2	8,800
Neighborhood	60,065	17	2	30,033
Total	360,064 (49.6%)	100%	11	$32,733

Source: Urban Studies Division,
Office of Evaluation, CPD

6/ The tally for all grantees filing a quarterly progress report at the end of FY 1979 was a total of $947,162 for 26 projects.

Half of the reported property tax revenues are generated in metropolitan city projects--just over $366,000. Nine projects reported having generated these tax revenues, for an average of $40,685 per metropolitan city project. This average gain is slightly higher than for all projects.

Small city projects generated about the same total annual amount of tax revenue as metropolitan city projects. Eleven small city projects generated revenues, with a per project average of $32,733 --some 20 percent lower than in metropolitan city projects.

Progress Among Project Types

Industrial projects have generated 60 percent of the total property tax revenues, almost $440,000. Commercial projects have generated about half the amount of industrial projects--just over $200,000. Neighborhood projects have generated the least total property tax revenues--about $74,000. Average tax revenue gains per project show a somewhat different pattern. On the average, commercial and industrial projects have generated about the same level of property tax revenues (about $40,000 per project per year). Neighborhood projects have averaged about half this level, under $20,000 per project.

MINORITY BENEFITS

While all applicants must comply with legal requirements pertaining to equal opportunity, the applications clearly indicate that some plan to go beyond the minimum requirements of the law in making economic provisions for minorities. This was the case for the creation of new permanent jobs in 66 of the 235 projects. That is, while some minorities can be expected to be hired in the vast majority of the projects, in these 66 cases they will comprise a significantly large percentage of the new permanent labor force of the new or expanded firms. Similarly, with retained jobs (in firms threatening to close or leave the jurisdiction) the work force has a significantly large number of minorities in 23 out of 69 cases. One or more minority-owned firms will be located in 23 projects upon project completion.

The monitoring reports for the grant agreement study projects supply some indication of progress of minority involvement in the construction phase. Grantees are requested to report only the number of subcontracts awarded to minority firms and the value of those subcontracts. It cannot be determined what proportion of all subcontracts awarded have gone to minority firms. However, 34 projects report a total of 92 minority subcontractors. Thirty-two of these projects have progressed to the point of bid-taking and the total value of those subcontracts is $6,189,651.

EMPLOYMENT PROGRESS: LOW- AND MODERATE-INCOME PERSONS

This section discusses the number of new permanent jobs which have actually been created for low- and moderate-income persons as of the end of FY 1979. Based on the Grant Agreement sample of 235 projects, it reports the number and proportion of such jobs actually created relative to the overall number planned, and the number planned in those projects which have reached the point of actually creating new permanent employment. There are no data available on retained jobs held by low- and moderate-income workers.

Progress Among City Types

Overall, 3,275 jobs for low- and moderate-income persons have been created in the projects in the sample--9 percent of the planned jobs for such workers. 7/ This is shown in Table V-16. In the 59 projects which have begun creating jobs, 41 percent of the planned employment for low- and moderate-income persons is in place.

TABLE V-16

URBAN DEVELOPMENT ACTION GRANTS
NEW PERMANENT JOBS FOR LOW/MODERATE INCOME PERSONS
PLANNED AND CREATED, BY CITY TYPE
THE 235 GRANTS AGREEMENTS SAMPLE

City Type	New Permanent Low/Mod Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
All Cities	3,275 (100.0%)	36,886 (100.0%)	8.9%	59	7,932 (100.0%)	41.3%
Metropolitan Cities	915 (27.9%)	22,442 (60.8%)	4.1	20	3,451 (43.5%)	26.5
Small Cities	2,360 (72.1%)	14,444 (39.2%)	16.3	39	4,481 (56.5%)	52.7

Source: Urban Studies Division
Office of Evaluation, CPD

7/ The tally for all grantees returning a quarterly progress report indicated that 3,500 new permanent jobs for low- and moderate-income persons were created by 83 projects.

Twenty-eight percent of the jobs already created for low- and moderate-income persons are in metropolitan city projects. This represents 4 percent of the planned jobs for these workers. Metropolitan city projects have created 27 percent of the planned jobs for low- and moderate-income workers in 20 projects which have begun creating new employment.

Almost three-quarters of the created jobs are in small city projects. These projects have created 16 percent of their planned jobs and have in place over half of the planned number of such jobs in those projects which have created employment opportunities.

Progress Among Project Types

As shown in Table V-17, most newly created low- and moderate-income jobs (73 percent) are located in industrial projects. Industrial projects also have a higher rate of job creation than other project types. Seventeen percent of planned industrial project jobs for low- and moderate-income persons are now in place. Almost half of such jobs are in place in the 33 projects which have actually begun hiring. Commercial projects account for 20 percent of created jobs for low- and moderate-income workers--based on having created just 4 percent of the number planned. However, a quarter of the planned jobs are in place in the 17 commercial projects which have begun hiring.

TABLE V-17

URBAN DEVELOPMENT ACTION GRANTS
NEW PERMANENT JOBS FOR LOW/MODERATE INCOME PERSONS
PLANNED AND CREATED, BY PROJECT TYPE
ALL CITIES
THE 235 GRANTS AGREEMENTS SAMPLE

Project Type	New Permanent Low/Mod Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
Industrial	2,377 (72.6%)	14,280 (38.7%)	16.6%	33	5,068 (63.9%)	47.9%
Commercial	663 (20.2%)	18,197 (49.3%)	3.6	17	2,565 (32.3%)	25.8
Neighborhood	235 (7.2%)	4,409 (12.0%)	5.3	9	299 (3.3%)	78.6
Total	3,275 (100.0%)	36,886 (100.0%)	8.9%	59	7,932 (100.0%)	41.3%

Source: Urban Studies Divisio
Office of Evaluation,
CPD

Neighborhood projects, which are primarily residential in nature, account for relatively few planned or created jobs for low- and moderate-income persons. Such jobs in neighborhood projects are 7 percent of the total number presently created by all project types. While only 5 percent of total planned jobs in neighborhood projects have been created, almost 80 percent of the planned jobs had been created in the nine neighborhood projects in which hiring has begun.

Progress Within Metropolitan Cities

In metropolitan city projects, as shown in Table V-18, industrial projects account for 42 percent of created low- and moderate-income jobs in metropolitan city projects and 5 percent of the planned total for such employment in industrial projects. In the seven industrial projects which have begun hiring, 28 percent of planned new employment for low- and moderate-income persons is in place.

Most new jobs already created for low- and moderate-income persons in metropolitan cities at present are in commercial projects (just over half). Nevertheless, commercial projects in metropolitan sites created only 4 percent of the planned total for such jobs, but 24 percent in the nine projects which have begun hiring.

Neighborhood projects have created 7 percent of total employment for low- and moderate-income persons in metropolitan cities. This involves just 2 percent of overall planned employment in such projects, but is two-thirds of the planned number in the four neighborhood projects in metropolitan cities.

TABLE V-18

NEW PERMANENT JOBS FOR LOW/MODERATE INCOME PERSONS
PLANNED AND CREATED BY PROJECT TYPE
METROPOLITAN CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	New Permanent Low/Mod Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
Industrial	382 (41.7%)	7,186 (32.0%)	5.3%	7	1,376 (39.9%)	27.6%
Commercial	468 (51.2%)	12,087 (53.9%)	3.9	9	1,978 (57.3%)	237
Neighborhood	65 (7.1%)	3,169 (14.1%)	2.1	4	97 (2.8%)	67.0
Total	915 (100.0%)	22,442 (100.0%)	4	20	3,451 (100.0%)	26.5%

Source: Urban Studies Division
Office of Evaluation,
CPD

Progress Within Small Cities

In small cities, by far, the largest number of low- and moderate-income employment opportunities has been created in industrial projects. This is shown in Table V-19. Small city industrial projects account for 85 percent of newly created existing jobs for low- and moderate-income people, having created 28 percent of the planned positions in all projects, and 54 percent in the 26 projects which have begun hiring.

TABLE V-19

NEW PERMANENT JOBS FOR LOW/MODERATE INCOME PERSONS
PLANNED AND CREATED, BY PROJECT TYPE
SMALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	New Permanent Low/Mod Jobs					
	Created Jobs	Planned Jobs	Created as Percent of Planned Jobs	Number of Projects with Created Jobs	Planned Jobs in Projects with Created Jobs	Created as Percent of Planned Jobs
Industrial	1,995 (84.5%)	7,094 (49.1%)	28.1%	26	3,692 (82.4%)	54.0%
Commercial	195 (8.3%)	6,110 (42.3%)	3.2	8	587 (13.1%)	33.2
Neighborhood	170 (7.2%)	1,240 (8.6%)	13.7	5	202 (4.5%)	84.2
Total	2,360 (100.0%)	14,444 (100.0%)	16.3%	39	4,481 (100.0%)	52.7%

Source: Urban Studies Division,
Office of Evaluation, CPD

Commercial projects in small cities account for only 8 percent of the new positions for low- and moderate-income workers. Such projects have created only 3 percent of their plans for such jobs overall, but one-third of those planned in the eight projects which have begun hiring.

Neighborhood projects have created 7 percent of the total jobs created for low- and moderate-income workers in small cities. This is 14 percent of the planned total for such jobs in those projects, and 84 percent for such jobs in the five neighborhood projects in small cities which have begun hiring workers. The latter represents the highest percentage of any city or project category.

HOUSING PROGRESS: LOW- AND MODERATE-INCOME PERSONS

This section reviews progress in meeting plans to develop housing for persons of low and moderate income. It examines the proportion of units planned for rehabilitation and new construction which are actually completed.

Progress Among City Types

Overall, eight percent of the planned housing for low- and moderate-income residents is completed. Completed housing, together with that construction, totals 18 percent (Table V-20). Over half was underway or completed in those projects which had initiated housing activity.

Metropolitan city completion rates are about the same as the total --seven percent, but somewhat fewer are completed or under construction--only 13 percent. In metropolitan city projects which have begun work on housing, 41 percent of the planned units are finished or underway.

In small cities, progress is substantially greater than in metropolitan cities. Ten percent of the planned units are actually completed; and over a third of the planned units for low- and moderate-income residents, are completed or under construction. Forty-eight percent of the planned units in projects which have begun work are underway or completed.

TABLE V- 20

URBAN DEVELOPMENT ACTION GRANTS
HOUSING UNITS FOR LOW/MODERATE-INCOME FAMILIES,
PLANNED, COMPLETED AND UNDER CONSTRUCTION BY CITY TYPE
THE 235 GRANT AGREEMENTS SAMPLE

City Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed or Under Construction	No. of Projects With Units Completed or Under Construction	Units Planned In Those Projects	Percent Of Planned Units Completed Or Under Construction
All Cities	371	505	4722	7.9 %	18.5 %	22	1679	52.1 %
Metropolitan Cities	252	215	3561	7.1	13.1	10	1127	41.4
Small Cities	119	290	1161	10.3	35.2	12	552	47.6

Source: Urban Studies Division
Office of Evaluation, CPD

Progress Among Project Types

Only 34 units of low- and moderate-income housing were planned in industrial projects and all within two projects (Table V-21). The two projects presently have under construction a total of 53 units --56 percent more than planned. In commercial projects the pace of completing planned housing for low- and moderate-income residents also exceeds the program totals. Thirty percent of planned housing is completed in commercial projects, and 35 percent is completed or under construction. In the three commercial projects which have actually begun construction of housing, 41 percent more housing for low- and moderate-income people is being developed than was originally planned.

Most housing for low- and moderate-income residents is planned in neighborhood projects. In these projects, the pace is somewhat slower than in commercial projects. Only one unit is reported actually completed in neighborhood projects, and 16 percent are underway. Thirty percent of the planned units in projects which have begun housing work are completed or underway.

TABLE V-21

URBAN DEVELOPMENT ACTION GRANTS
HOUSING UNITS FOR LOW/MODERATE-INCOME FAMILIES,
PLANNED, COMPLETED AND UNDER UNDER CONSTRUCTION BY PROJECT TYPE
ALL CITIES
THE 235 GRANT AGREEMENTS SAMPLE

Project Type	Units Completed	Units Under Construction	Units Planned	Percent Units Completed	Percent Units Completed Or Under Construction	No. of Projects With Units Completed Or Under Construction	Units Planned In Those Projects	Percent Of Planned Units Completed or Under Construction
Industrial	0	53	34	0%	155.9%	2	34	155.9%
Commercial	370	60	1214	30.5	35.4	3	304	141.4
Neighborhood	1	392	2474	0	15.9	17	1341	29.3
Total	371	505	3722	10.0%	23.5%	22	1679	52.2%

Source: Urban Studies Division,
Office of Evaluation, CPD

APPENDICES

APPENDIX A	Overview of the Action Process
APPENDIX B	Fiscal Year 1979 Urban Development Action Grant Awards
APPENDIX C	The 235 Grant Agreement Sample

APPENDIX A

OVERVIEW OF THE ACTION GRANT PROCESS

APPENDIX A

OVERVIEW OF THE ACTION GRANT PROCESS

Chart I-1 on the following page traces the Action Grant process from the determination of community eligibility, through project application, approval, grant agreement and legal determination steps to the drawdown of funds.

Eligibility

The potential eligibility of cities and urban counties is determined by using six criteria of physical and economic distress; age of housing, poverty, per capita income change, population lag/decline, unemployment, and job lag/decline. The median value for all metropolitan cities is applied as a minimum threshold or standard for each criterion. Although there are several ways to become eligible, in general, a jurisdiction must meet at least three of the qualifying standards. HUD publishes the list of potentially eligible cities and urban counties in the Federal Register. However, before one of these communities can submit an Action Grant application, it must request a determination of full eligibility. Technical assistance for developing the evidence for this request is available from HUD Area Offices. Full eligibility is granted when an Area Office has certified that the city or urban county has demonstrated results in providing housing for persons of low- and moderate-income, as well as equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups. Adverse recommendations of an Area Office of eligibility are subject to review by the Action Grant Office and the Assistant Secretary for Community Planning and Development (CPD).

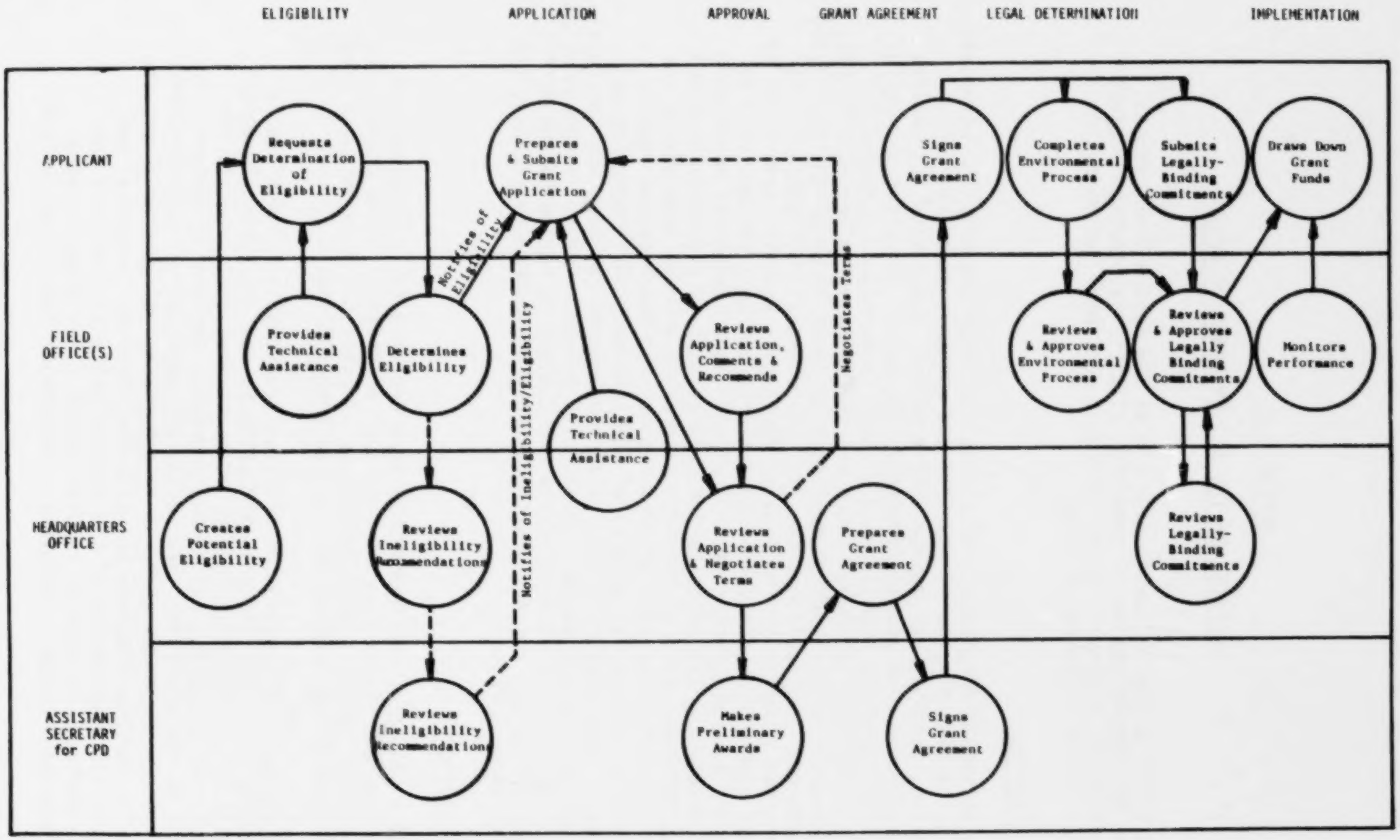
Applications

Once a city or urban county has been declared fully eligible for the Program, it can request technical assistance in the preparation of an application. Such assistance is available from both the Area Offices and the Headquarters Action Grant Office.

The authorizing legislation requires "reasonable balance" among projects which are designed primarily to restore seriously deteriorated neighborhoods, reclaim under-utilized real property for industrial purposes, and renew commercial employment centers. In order to implement this provision, all applications are classified as industrial, commercial, or neighborhood. Neighborhood projects usually involve housing, but also can focus on industrial and commercial investments if the project primarily benefits specific neighborhoods in need of revitalization. For example, some neighborhood projects rejuvenate commercial facilities, a feature

Chart - I-1

OVERVIEW OF THE URBAN DEVELOPMENT ACTION GRANT PROCESS


ELIGIBILITY
APPLICATION
APPROVAL
GRANT AGREEMENT
LEGAL DETERMINATION
IMPLEMENTATION
APPLICANT
FIELD OFFICE(S)
HEADQUARTERS OFFICE
ASSISTANT SECRETARY for CPD
Requests Determination of Eligibility
Provides Technical Assistance
Creates Potential Eligibility
Determines Eligibility
Reviews Ineligibility Recommendations
Reviews Ineligibility Recommendations
Notifies of Eligibility
Notifies of Ineligibility/Eligibility
Prepares & Submits Grant Application
Provides Technical Assistance
Reviews Application, Comments & Recommends
Reviews Application & Negotiates Terms
Negotiates Terms
Makes Preliminary Awards
Prepares Grant Agreement
Signs Grant Agreement
Signs Grant Agreement
Completes Environmental Process
Reviews & Approves Environmental Process
Submits Legally-Binding Commitments
Reviews & Approves Legally Binding Commitments
Reviews Legally-Binding Commitments
Draws Down Grant Funds
Monitors Performance

of urban neighborhood living which is deficient in many older cities.

Action Grants may be made for the eligible activities permitted under the Community Development Block Grant (CDBG) Program provided they are linked to a private investment. These activities include acquisition, disposition, construction, rehabilitation, and installation of public facilities and improvements, clearance activities, repairs, relocation of residents or businesses, and a wide range of economic assistance directed toward inducing the investment. If an applicant requests assistance that is not eligible under the CDBG rules, it must demonstrate the activity proposed is consistent with the objectives of revitalizing its economic base or reclaiming neighborhoods excessive housing deterioration. New housing construction, for example, may be included as part of an Action Grant, but only indirectly through specific community economic development groups, under the CDBG program. On the other hand, provision of public services, permitted under the CDBG program, is not eligible under the Action Grant Program. Finally, while metropolitan cities and urban counties are not permitted to use Action Grant assistance for planning projects or developing applications, small cities may use up to three percent of those grants for this purpose.

Application Processing

There are two application submission rounds in each quarter of the year. Metropolitan cities and urban counties may submit applications in the first month of the quarter, small cities in the second month. The project application is sent to the Area Office and the Headquarters Action Grant Office . The Area Office has 30 days in which to review and comment on the application. During this period and the following month, the Headquarters staff thoroughly reviews all evidence, consults with the applicant and, occasionally, visits the project site. The effectiveness of the review is expedited, in many cases, by preapplication contacts between the applicant and the staff.

The application review emphasizes the firmness of the private commitments. As private investors must eventually sign a legal document concerning their role in a project, there is little point in making an award if the prospects of this happening are poor. Projects without sufficiently firm commitments or other deficiencies may be held over for consideration in subsequent funding rounds. The additional time often is needed by the applicants to reshape the project to qualify for a preliminary award.

Projects commonly go through substantial changes from the form described in the initial application to the form in which they are actually carried out with Program support. These changes are the result of substantial negotiations between Program staff, the applicant, and the private sector participants. The reasons for the changes are varied. In more complicated projects involving many private investors, it may be that all elements of the project cannot be kept on a single time schedule. As a result, the proposed project may be divided into phases, allowing each phase to proceed when the private investors are ready. Unfunded parts may be the subject of a new application at a future dae. Some projects are deficient in meeting selection standards, but with changes initiated through technical assistance counseling, can be made to meet program objectives. Parts of some proposed projects are ineligible and may be dropped without rejecting the entire proposal.

Project Selection

A number of criteria are used in the project selection process. Each project is required to have a firm private commitment to finance and carry out its mission. The amount of private resources committed must be at least two and one-half times the amount of Action Grant funding. If a project also requires a commitment of other public resources, this too must be firm.

Applications must also conform to a variety of Federal requirements which pertain to most Federal grants (i.e., such matters as environmental assessment, affirmative action, A-95 reviews, etc.). In addition, there are special requirements in the authorizing legislation. Projects must be consistent with local community development plans, Housing Assistance Plans, and, under certain circumstances, economic development plans. A Citizen Participation Plan must be developed and followed, with public hearings and provisions encouraging expression of views on the project by low- and moderate-income persons.

In addition, projects must be accomplished in a timely fashion. In practice, grants are confined to discrete one-time projects that can be finished in no more than three or four years. No applications are approved for continuing programs. Some Action Grants may finance only the initial phase of a large project; the grantee can, of course, apply for support of subsequent phases. The Program does not make supplemental grants to complete projects with cost overruns.

Criteria used to weigh projects for relative funding priority are diverse. In accordance with the authorizing legislation, the most important is the relative degree of distress among applicants as measured by three of the same criteria used to determine potential eligibility (age of housing, population lag/decline and poverty). In the case of metropolitan cities and urban counties, an additional measure of relative distress is used which incorporates the other three eligibility criteria (per capita income change, unemployment and job lag/decline).

Among the other important selection criteria are the employment impact, particularly employment of low- and moderate-income persons the structurally unemployed and under-employed; the ratio of private investment to Action Grant funding; and the impact on the city's fiscal base. The remaining selection criteria include factors, such as project impact on low- and moderate-income persons and minorities, extent of displacement, extent of State and other Federal government participation, and the uniqueness of the opportunity which is represented by the project.

Grant Agreements

Preliminary awards are made in the quarter following each selection round. Following the announcement of preliminary awards, the Headquarters staff prepares a draft agreement that sets forth the legal requirements of the grant. When the Assistant Secretary for Community Planning and Development signs the grant agreement, funds are committed to the project contingent upon the applicant's signature, its performance of environmental requirements and HUD acceptance of legally-binding private sector commitments.

Legal Determination

HUD review of the legally binding commitments submitted by the applicant is one of the most sensitive steps in the process. To obtain these commitments, all parties must detail their plans and set forth their obligations. These include the applicant and at least one, but often many, private developers, financial investors, and other participating governmental units. With large sums of money often involved and projects of important and lasting significance for the community, parties negotiate with great care before signing the legally binding commitments.

Environmental reviews are also completed at this time. In that process, applicants must determine existing environmental conditions, identify and examine the impacts, and consider ways of modifying the projects to minimize adverse effects. The applicant then prepares and publishes either a Notice of Finding of No Significant Effect on the Environment or a Notice of Intent to File an Environmental Impact Statement (EIS). After completing the process in the former case, the applicant can request HUD to release project funds. In the latter case, public hearings must be held and an EIS prepared prior to requesting HUD to release funds.

Implementation

Private construction and other activities financed by private or non-Action Grant governmental funds may proceed before final HUD approval of the legally-binding commitments and environmental review findings. However, no Action Grant funds may be drawn down before such approvals are granted.

All recipients of preliminary awards are required to submit quarterly progress reports covering the current status of the project target dates, potential impediments to timely completion of the project, and any impacts the project has generated, such as, jobs, housing units, and tax revenue.

APPENDIX B

FISCAL YEAR 1979 URBAN DEVELOPMENT ACTION GRANT AWARDS

Appendix B
Fiscal Year 1979 Urban Development Action Grant Awards

City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Alabama										
Andalusia, AL	Extension of water, sewer and electric lines, street access and park improvements for shopping center.	N	$200,000	$2,690,000	-0-	150	-0-	1	4/24/79	4/30/79
Atmore, AL	Industrial water and gas construction, parking and renovation loan subsidies.	I	$391,200	$3,122,300	-0-	61	-0-	2	9/11/79	9/25/79
Birmingham, AL	Land acquisition for industrial and commercial park.	I	$500,000	$3,879,000	$15,000	300	-0-	3	9/12/79	9/20/79
Birmingham, AL	Relocation and expansion of automobile dealer.	C	$247,000	$1,569,174	$83,500	17	-0-	4	11/26/79	--
Birmingham, AL	Credit union office building construction.	C	$2,000,000	$11,761,000	-0-	148	-0-	4	11/21/79	--
Eufaula, AL	Utilities, site improvements and rail spur for industrial park.	I	$395,860	$3,500,000	$32,000	300	-0-	3	9/27/79	--
Tuskegee, AL	Loan fund for industrial machinery purchase.	I	$61,041	$246,276	$50,000	8	-0-	1	6/14/79	7/30/79
Tuskegee, AL	Office building construction.	C	$97,326	$410,000	-0-	10	-0-	2	7/19/79	8/13/79
Uniontown, AL	Garment manufacturing equipment purchase.	I	$125,000	$419,900	$450,000	195	-0-	4	12/21/79	12/31/79
Arizona										
St. Johns, AZ	Manufacturing plant construction.	I	$100,000	$374,000	$7,300	30	-0-	4	1/10/80	1/18/80
Arkansas										
Warren, AR	Industrial building construction.	I	$80,000	$261,914	-0-	60	-0-	1	Terminated	

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California										
Berkeley, CA	Second mortgage loan and grant for theatre construction.	C	$300,000	$1,283,374	-0-	45	-0-	2	7/25/79	8/15/79
Commerce, CA	Housing construction and land acquisition.	N	$1,382,941	$855,300	$2,000,000	-0-	138	2	10/24/79	11/14/79
Exeter, CA	Industrial streets, storm drainage, sewer and water facilities.	I	$1,097,500	$8,990,000	-0-	436	-0-	2	7/17/79	8/07/79
Huntington Park, CA	Land acquisition, demolition, clearance, relocation, street and utility construction for industrial park.	I	$4,005,657	$16,027,245	-0-	2,415	-0-	4	1/14/80	--
Long Beach, CA	Site acquisition for shopping center.	C	$8,000,000	$56,122,000	$16,300,000	1,935	-0-	1	3/23/79	3/27/79
Los Angeles, CA	Shopping center construction.	N	$2,520,000	$6,300,000	$1,936,000	400	-0-	4	1/04/80	--
Los Angeles, CA	Shopping center construction.	N	$1,020,000	$3,960,000	-0-	182	-0-	4	12/28/79	1/17/80
Los Angeles, CA	New sewer system construction for industrial expansion.	I	$8,825,000	$250,000,000	$2,900,000	667	-0-	2	8/21/79	11/14/79
Monrovia, CA	Land acquisition for industrial development.	N	$400,000	$1,516,054	-0-	34	-0-	3	9/28/79	10/16/79
Monrovia, CA	Housing land acquisition site improvements, relocation and deferred payment equity loans.	N	$898,000	$5,301,000	-0-	-0-	93	2	10/24/79	11/06/79
Oakland, CA	Construction financing for trade center.	C	$3,000,000	$24,000,000	$4,939,200	480	-0-	4	--	--
Riverside, CA	Land acquisition and improvement for commercial distribution center.	I	$374,871	$2,060,000	$100,000	60	-0-	3	9/24/79	10/02/79

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San Bernadino, CA	Land acquisition, clearance and business relocation.	C	$761,200	$4,031,000	-0-	231	-0-	2	6/11/79	6/19/79
South Gate, CA	Shopping center parking area and public improvements.	N	$644,899	$4,150,000	-0-	250	-0-	1	1/21/80	5/14/79
Colorado										
Hooper, CO	Water, sewer, roads, parking, and transit buses for industrial site.	I	$682,026	$6,189,000	-0-	220	-0-	3	--	--
Connecticut										
Hartford, CT	Residential and commercial site improvements, housing subsidies and guarantees.	N	$1,340,000	$4,016,000	-0-	20	95	2	9/17/79	10/10/79
New London, CT	Manufacturing plant and warehouse construction; industrial land acquisition and street improvements.	I	$339,500	$1,096,200	$630,500	125	-0-	1	2/01/79	2/07/79
District of Columbia										
Washington, DC	Second mortgage for shopping center construction.	N	$3,250,000	$9,969,000	-0-	230	-0-	1	8/21/79	9/25/79
Florida										
Green Cove Springs, FL	Water and sewer line extension and electrical upgrading to shopping center.	C	$2,350,000	$1,800,000	-0-	100	-0-	1	7/27/79	8/28/79
Key West, FL	Hotel renovation and expansion; public improvement.	C	$1,100,000	$4,866,919	$30,000	75	-0-	3	12/07/79	1/03/80

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Miami, FL	Land acquisition, foundation pedestrian mall to world trade center, parking, public improvements and relocation.	C	$4,994,000	$37,174,000	$12,000,000	600	-0-	4	11/16/79	--
Tampa, FL	Parking garage and second mortgage for hotel and conference center construction.	C	$7,800,000	$74,291,000	$1,139,000	935	-0-	2	8/28/79	9/18/79
Georgia										
Atlanta, GA	Industrial land and building acquisition.	N	$295,000	$1,150,000	-0-	150	-0-	3	9/18/79	9/21/79
Claxton, GA	Industrial park second mortgage money and equipment purchase.	I	$137,668	$438,000	$765,000	23	-0-	2	9/28/79	12/01/79
Columbus, GA	Hotel development loan.	C	$1,900,000	$9,500,000	$2,374,000	250	-0-	3	9/11/79	10/31/79
Macon, GA	Land acquisition and improvements for housing; parking garage.	N	$2,812,000	$8,268,815	$2,944,000	667	280	1	9/11/79	10/08/79
Savannah, GA	Street and sidewalk improvements, lighting, landscaping, park improvements.	N	$650,000	$1,945,000	-0-	-0-	76	2	8/01/79	8/31/79
Illinois										
Chicago, IL	Industrial rehabilitation and equipment installation.	I	$10,000,000	$76,334,000	-0-	150	-0-	3	9/18/79	9/28/79
Chicago, IL	Renovation of two industrial plants.	I	$300,000	$3,235,056	$720,000	400	-0-	2	9/06/79	11/07/79
Chicago, IL	Plant and equipment modernization.	N	$1,300,000	$10,799,832	-0-	122	-0-	2	8/20/79	—
Chicago, IL	Industrial building construction and equipment purchase.	I	$162,000	$15,150,000	$269,732	80	-0-	2	8/20/79	9/24/79

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Chicago, IL	Site acquisition, business relocation, demolition for hotel/convention complex.	C	$7,947,000	$125,000,000	-0-	2,150	-0-	1	9/18/79	1/11/80
Du Quoin, IL	Street, water and sewer improvements; second mortgage on shopping area development.	N	$331,800	$2,290,276	-0-	200	-0-	2	8/03/79	9/12/79
Flora, IL	Industrial building construction.	I	$468,000	$2,984,000	$496,880	300	-0-	1	3/23/79	4/14/79
Grayville, IL	Commercial water and sewer construction.	C	$324,650	$2,135,000	-0-	110	-0-	2	8/10/79	1/17/80
Greenville, IL	Industrial site acquisition and improvements, building foundations and a rail spur.	I	$1,606,000	$21,002,000	-0-	163	-0-	1	3/14/79	3/19/79
Joliet, IL	Land acquisition loan fund for sidewalk improvements and "streetscaping."	C	$350,000	$1,977,422	-0-	20	-0-	4	11/16/79	—
Madison, IL	Retail shop rehabilitation and public improvements including lighting and landscaping.	C	$177,000	$539,516	$133,000	25	-0-	1	5/18/79	—
Madison County, IL	Public improvements, fencing, security for foreign trade zone and rehabilitation loan guarantees.	N	$600,000	$2,648,000	$2,756,614	60	81	2	9/06/79	1/09/79
Maywood, IL	Commercial land acquisition and public improvements.	N	$100,000	$408,000	$942,000	10	-0-	2	8/20/79	9/26/79
Salem, IL	Industrial water line construction.	I	$1,000,000	$12,000,000	$3,040,000	300	-0-	2	8/08/79	8/14/79
St. Elmo, IL	Install water and sewer lines and construct water storage tank for industrial expansion.	I	$539,500	$2,340,000	$184,000	40	-0-	1	3/14/79	3/20/79

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Woodlawn, IL	Industrial water and sewer lines and housing development.	I	$6,433,000	$57,749,847	-0-	940	40	2	7/31/79	8/02/79
Indiana										
Evansville, IN	Office parking facility construction loan.	C	$2,300,000	$14,451,786	$1,501,000	238	-0-	3	9/25/79	11/02/79
Evansville, IN	Parking deck construction and historic preservation.	C	$3,056,000	$17,460,000	-0-	325	-0-	4	11/16/79	--
Gary, IN	Civic center construction.	C	$2,531,449	$6,323,833	$6,405,000	500	-0-	2	9/27/79	10/05/79
Hammond, IN	Railroad switching yard acquisition and site improvements for housing.	N	$1,350,000	$6,429,217	-0-	6	144	2	6/25/79	7/06/79
Huntington, IN	Elevated water tank for industrial park.	N	$1,000,000	$4,110,112	-0-	3	173	4	12/10/79	12/26/79
Madison, IN	Land acquisition for river port, locomotive purchase, and rail line repair.	I	$375,000	$1,800,000	$500,000	90	-0-	1	9/18/79	9/25/79
Mitchell, IN	Elevated water tank construction for industrial park.	I	$980,000	$4,902,054	-0-	50	-0-	3	10/31/79	--
Richmond, IN	Industrial park road, water and sewer construction.	I	$500,400	$2,217,744	-0-	62	-0-	2	9/24/79	--
Rockville, IN	Industrial site acquisition and public utilities including fire protection pond.	I	$116,025	$736,025	-0-	47	-0-	2	6/15/79	7/03/79
Terre Haute, IN	Housing rehabilitation subsidy loan pool.	N	$1,000,000	$4,000,000	-0-	-0-	400	1	7/11/79	7/16/79
Iowa										
Albia, IA	Public improvements for housing subdivision.	N	$825,000	$3,992,000	$537,600	-0-	100	1	9/25/79	10/03/79

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Marcus, IA	Water and sewer installation for industrial plant.	I	$265,740	$1,408,000	$2,000	150	-0-	4	1/04/80	--
Marengo, IA	Industrial road, water and sewer line construction; railroad crossing improvements.	I	$616,300	$7,500,000	-0-	49	-0-	4	12/28/79	1/07/79
Oelwein, IA	Water, sanitary/storm sewer line extensions and road pavement in industrial park.	I	$128,182	$650,000	-0-	75	-0-	3	9/24/79	11/12/79
Ottumwa, IA	Sewer and water lines, traffic signals, street widening for shopping center.	N	$335,000	$706,000	-0-	210	-0-	2	7/27/79	9/27/79
Red Oak, IA	Water and sewer system expansion for industrial park.	I	$441,303	$1,800,000	$827,500	125	-0-	1	9/25/79	10/22/79
Waterloo, IA	Industrial processing equipment modernization and operations consolidation.	I	$4,630,000	$22,906,700	$50,000	-0-	-0-	3	9/28/79	--
Kansas										
Atchison, KS	Dock, siding and other site improvements for grain elevator.	I	$882,000	$2,430,000	$105,000	92	-0-	4	1/18/80	--
Lawrence, KS	Site acquisition and preparation for office and parking; business relocation, water and sewer facilities, street reconstruction.	C	$910,000	$5,860,000	$373,784	108	-0-	2	8/09/79	1/10/80
Kentucky										
Louisville, KY	Land acquisition, relocation and office/retail construction.	C	$5,525,359	$76,200,000	$12,000,000	1,812	-0-	3	9/28/79	10/16/79

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Mayfield, KY	Second mortgage for manufacturing facility acquisition.	I	$105,000	$550,339	$62,000	225	-0-	2	7/11/79	7/21/79
Louisiana										
New Orleans, LA	Construct wharf and dock facility and infrastructure.	I	$3,263,000	$13,457,660	-0-	264	-0-	4	12/07/79	--
Oakdale, LA	Industrial building renovation.	I	$69,644,000	$266,939	-0-	100	-0-	1	9/10/79	9/14/79
Shreveport, LA	Park, parking, pedestrian mall, cemetery refurbishing, landscaping, theatre restoration.	C	$2,420,000	$13,671,000	$927,000	573	-0-	2	9/28/79	--
Maine										
Bangor, ME	Second mortgage for housing construction.	N	$825,000	$2,324,985	$337,772	-0-	104	2	9/04/79	--
Biddeford, ME	Construction of parking garage, off-street parking, sidewalk improvements and renovation subsidies.	C	$750,000	$2,187,800	$1,557,000	85	-0-	3	9/28/79	10/17/79
Pittsfield, ME	Land acquisition for office building and parking, CBD street improvements, and housing construction.	C	$640,728	$2,395,980	$310,000	50	27	3	9/28/79	10/22/79
Portland, ME	Parking garage.	C	$1,200,000	$4,316,000	-0-	230	-0-	2	9/04/79	9/22/79
Presque Isle, ME	Street, water and sewer for shopping center.	C	$685,300	$4,811,000	-0-	215	-0-	2	8/28/79	9/12/79
Rockland, ME	CBD street and site improvements, parking, landscaping, and loan pool.	C	$1,155,000	$4,665,000	-0-	170	25	1	7/19/79	7/25/79

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Maryland										
Baltimore, MD	Site preparation for housing and commercial construction; minority venture capital.	N	$4,500,000	$18,123,727	-0-	16	303	1	5/07/79	5/23/79
Baltimore, MD	Second mortgage for housing commercial/ retail, health club, cinema, and parking garage construction.	N	$2,800,000	$42,458,209	-0-	329	296	3	--	--
Baltimore, MD	Sports center construction.	N	$1,400,000	$4,130,000	$400,000	91	-0-	4	11/16/79	--
Chestertown, MD	Storm drains, water and sewer lines for industrial park, on and off-site improvements.	I	$403,986	$1,698,730	-0-	56	10	3	10/09/79	10/23/79
Massachusettes										
Boston, MA	Acquisition, relocation, demolition and site improvements for industrial facility.	N	$1,585,000	$6,123,260	$1,675,000	200	-0-	4	1/04/80	--
Brockton, MA	CBD parking facilities construction.	C	$1,062,600	$3,604,000	$730,000	92	-0-	1	7/11/79	7/30/79
Everett, MA	Second mortgage for industrial construction.	I	$186,200	$913,200	-0-	34	-0-	2	6/04/79	6/12/79
Haverhill, MA	Construct manufacturing and warehouse facility.	I	$830,000	$6,880,000	-0-	800	-0-	4	1/18/80	--
Malden, MA	Footing and foundation for supermarket and commercial building renovation.	C	$377,925	$2,138,000	$498,715	115	504	3	9/25/79	10/29/79
New Bedford, MA	Bulkhead construction.	I	$1,604,454	$6,000,000	3,500	200	-0-	2	8/20/79	10/05/79
Pittsfield, MA	Parking structure construction.	C	$14,233,000	$62,057,500	$14,247,000	1,072	-0-	2	8/08/79	--

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Quincy, MA	Municipal parking garage construction.	C	$3,790,000	$11,277,000	$544,000	743	-0-	2	6/22/79	7/19/79
Revere, MA	Sitework construction for manufacturing facility.	I	$5,500,000	$20,450,000	-0-	800	-0-	4	12/21/79	12/31/79
Salem, MA	Second trust loan for building rehabilitation to commercial and office use; street and sidewalk improvements.	C	$225,000	$944,859	-0-	102	-0-	1	7/19/79	10/15/79
Somerville, MA	Improve access roads to commercial mall.	N	$3,300,000	$15,000,000	-0-	2,799	-0-	1	8/08/79	8/10/79
Springfield, MA	Parking garage, landscaping, streetscape, drainage, paving and sidewalk construction.	N	$3,188,837	$10,897,000	$1,818,000	136	225	2	9/13/79	9/24/79
Webster, MA	Manufacturing plant modernization; demolition, sewer line relocation and road improvements.	N	$210,000	$902,601	$902,601	50	-0-	2	6/08/79	7/10/89
Worcester, MA	Second mortgage on CBD hotel and street and other improvements.	C	$4,700,000	$16,652,000	$1,508,000	250	-0-	3	9/28/79	10/05/79
Michigan										
Battle Creek, MI	Second mortgage on hotel and retail space.	C	$5,500,000	$24,265,000	-0-	704	-0-	3	10/17/79	10/30/79
Benton Harbor, MI	Second mortgage on hotel construction.	C	$2,010,000	$7,445,349	-0-	195	-0-	2	8/09/79	8/29/79
Cold Water, MI	Industrial relocation.	I	$135,000	$441,000	$80,000	14	-0-	1	7/03/79	7/09/79
Detroit, MI	Boat dock improvement, railroad barge and car acquisition, restaurant restoration and equipment purchase.	C	$175,000	$780,000	-0-	109	-0-	1	3/29/79	5/16/79

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Detroit, MI	Housing rehabilitation, land acqusition for residential and commercial construction, street improvements.	N	$3,431,000	$11,731,000	-0-	10	300	1	4/23/79	4/24/79
Detroit, MI	Residential/retail parking facilities and riverfront site work.	N	$14,190,000	$51,146,666	-0-	115	870	3	9/28/79	--
Detroit, MI	Construct shopping center.	N	$750,000	$4,229,489	-0-	230	-0-	4	12/21/79	--
Detroit, MI	Construct parking deck.	C	$9,937,700	$56,086,939	-0-	2,500	-0-	4	11/28/79	--
Detroit, MI	Department store renovation.	N	$660,000	$2,856,641	-0-	195	-0-	4	12/05/79	--
Detroit, MI	Plant expansion financing.	N	$300,000	$2,740,000	-0-	175	-0-	4	11/16/79	--
Flint, MI	Second mortgage for shopping center construction and housing rehabilitation.	N	$750,000	$2,883,881	-0-	112	-0-	3	9/24/79	10/08/79
Flint, MI	Land acquisition and clearance, business relocation, hotel and convention center construction.	C	$6,500,000	$33,800,000	$10,993,000	825	2,305	1	4/10/79	4/17/79
Grand Rapids, MI	Industrial relocation.	I	$536,000	$3,979,000	-0-	160	-0-	2	7/25/79	9/26/79
Grand Rapids, MI	Office construction, hotel construction and renovation, parking garage.	C	$3,060,000	$34,600,000	$2,770,000	392	-0-	2	7/24/79	7/29/79
Grayling, MI	Industrial plant renovation and capitol equipment purchase.	I	$70,397	$232,727	-0-	65	-0-	4	12/10/79	--

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Highland Park, MI	Shopping center land acquisition, demolition, relocation clearance, walkway construction and public improvements.	N	$2,604,870	$8,126,579	$75,000	384	-0-	4	12/21/79	1/23/80
Ionia, MI	Water supply and distribution system up-grading.	I	$950,000	$3,243,000	$950,000	250	40	1	6/25/79	7/10/79
Muskegon, MI	CBD land acquisition, demolition, parking facility construction.	C	$2,024,000	$7,522,000	-0-	129	-0-	1	7/12/79	8/15/79
Muskegon, MI	Develop streets and install utilities within industrial park.	I	$750,000	$13,120,000	-0-	300	-0-	4	11/16/79	--
Pontiac, MI	Municipal parking garage construction.	C	$6,300,000	$25,281,000	$25,000,000	1,050	-0-	4	11/21/79	11/28/79
Port Huron, MI	Land acquisition and industrial site improvements; neighborhood streets, sidewalks, community center improvements.	N	$4,080,000	$20,900,000	-0-	700	-0-	3	9/20/79	9/26/79
Minnesota										
Minneapolis, MN	Relocation and land acquisition for residential parking.	N	$756,500	$2,525,755	$967,395	6	170	4	12/28/79	--
Minneapolis, MN	Commercial parking facilities.	C	$2,810,730	$13,254,321	-0-	796	56	2	6/14/79	8/09/79
Minneapolis, MN	Industrial site acquisition and housing rehabilitation.	N	$1,851,484	$11,271,811	-0-	350	-0-	3	8/08/79	8/10/79
St. Paul, MN	Industrial site preparation and plant construction.	I	$1,875,000	$12,400,000	-0-	105	-0-	2	6/15/79	7/05/79

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St. Paul MN	Neighborhood rehabilitation for office expansion.	N	$1,314,000	$8,000,000	-0-	250	-0-	3	9/24/79	10/19/79
Wabasso, MN	Commercial site acquisition and public improvements.	C	$137,750	$495,879	-0-	11	-0-	2	8/10/79	8/28/79
Mississippi										
Gulfport, MS	Parking garage, urban park, land acquisition, pedestrian improvements for commercial development.	C	$3,464,228	$17,330,080	$3,550,000	408	-0-	1	2/05/79	2/05/79
Hattiesburg, MS	Manufacturing office/warehouse, water and sewer line construction.	I	$462,597	$5,000,000	$120,000	50	-0-	2	7/19/79	7/25/79
Jackson, MS	Construction of municipal parking garage, drainage, site clearance.	C	$6,237,000	$29,582,075	-0-	544	-0-	4	11/16/79	—
Metcalfe, MS	Industrial site acquisition, improvements and plant construction.	I	$618,557	$2,373,454	-0-	44	-0-	2	8/20/79	8/24/79
Missouri										
Ava, MO	Electrical substation construction for industrial plant.	I	$725,000	$7,000,000	-0-	300	-0-	2	7/20/79	8/16/79
Flat River, MO	Industrial street, water line and rail siding development.	I	$488,000	$3,000,000	$2,000	250	-0-	1	5/02/79	5/15/79
Kirksville, MO	CBD pedestrian mall construction.	C	$750,000	$3,111,960	$590,000	163	-0-	2	8/28/79	11/27/79
Lebanon, MO	Land acquisition, street and utility installation for industrial, commercial, and housing development.	I	$3,862,285	$17,262,800	-0-	810	399	4	--	--

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Lexington, MO	Parking area and sidewalk improvements.	C	$250,000	$698,000	-0-	95	-0-	1	7/11/79	7/26/79
Marceline, MO	Industrial building purchase and improvement; equipment purchase.	I	$175,500	$781,602	$5,000	72	-0-	4	1/04/80	--
Poplar Bluff, MO	Main street reconstruction.	C	$155,000	$654,000	-0-	32	-0-	4	1/04/80	--
St. Louis, MO	Business relocation and land acquisition for supermarket.	N	$1,343,000	$3,937,711	$1,165,800	211	-0-	4	12/21/79	--
St. Louis, MO	Land acquisition for hardware facility, street and site improvements.	N	$199,000	$639,410	$396,300	10	-0-	4	12/21/79	--
Nebraska										
Milford, NE	Sec. 235 housing construction.	N	$60,000	$312,000	-0-	-0-	8	4	12/28/79	1/24/80
Wahoo, NE	Water, sewer, paving and electrical services for industrial site.	I	$400,000	$1,826,500	$149,883	51	-0-	2	9/10/79	9/17/79
New Hampshire										
Concord, NH	Land acquisition, relocation, demolition, public parking and utility improvements related to retail and office construction and rehabilitated.	C	$1,200,000	$5,865,000	$453,000	314	-0-	4	12/21/79	--
New Jersey										
Bayonne, NJ	Housing rehabilitation.	N	$1,300,000	$5,500,000	$200,000	1,075	100	1	9/06/79	--
Hoboken, NJ	Industrial loan.	I	$300,000	$1,920,692	-0-	35	-0-	4	1/21/80	--

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Irvington, NJ	Industrial building acquisition and industrial rehabilitation.	I	$80,000	$265,984	$108,000	17	-0-	1	8/08/79	8/13/79
Jersey City, NJ	Commercial site acquisition and preparation.	C	$3,262,500	$15,947,595	-0-	606	-0-	2	11/20/79	10/05/79
Newark, NJ	Construct child day care facility and office space.	N	$200,000	$925,000	-0-	49	-0-	4	12/17/79	--
Newark, NJ	Housing and small business rehabilitation rebate.	N	$2,235,194	$10,000,000	-0-	-0-	1,000	3	12/3/79	--
Newark, NJ	Shopping center construction.	N	$450,000	$1,713,092	-0-	60	-0-	3	10/25/79	--
Newark, NJ	Industrial building rehabilitation	I	$1,000,000	$5,681,400	-0-	475	-0-	2	6/15/79	6/26/79
Newark, NJ	Second trust for office building rehabilitation and parking land acquisition.	C	$438,974	$1,534,965	-0-	40	-0-	2	9/06/79	10/10/79
Newark, NJ	Office building construction.	C	$10,000,000	$29,227,624	-0-	665	-0-	2	10/31/79	--
Newark, NJ	Building rehabilitation for warehousing and distribution.	I	$107,000	$384,273	-0-	220	-0-	2	7/11/79	7/17/79
New Brunswick, NJ	Land acquisition, clearance and hotel/conference center construction.	C	$6,000,000	$62,000,000	-0-	1,525	-0-	1	10/16/79	10/23/79
Orange, NJ	Low/mod income residents' home improvement loan rebate.	N	$180,000	$453,026	-0-	-0-	175	4	--	--

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Plainfield, NJ	Second mortgage for economic development activities for shopping center development.	N	$525,000	$2,546,568	-0-	100	-0-	3	10/26/79	10/30/79
Trenton, NJ	Land acquisition for shopping center.	N	$1,350,000	$5,238,000	-0-	238	-0-	2	8/20/79	8/20/79
Vineland, NJ	Construct television station.	C	$1,750,000	$4,733,495	-0-	320	-0-	4	1/04/80	--
New Mexico										
Taos, NM	Sewer line construction, improvements and equipment purchase for shopping center.	N	$528,200	$3,708,000	-0-	165	-0-	2	9/05/79	9/21/79
New York										
Albany, NY	Hotel construction loan.	C	$3,000,000	$15,306,805	$1,100,000	302	-0-	1	9/28/79	--
Beacon, NY	Commercial and housing renovation.		$485,980	$1,630,420	-0-	70	96	2	10/31/79	11/05/79
Binghamton, NY	CBD courtyard acquisition and commercial/residential renovation.	C	$950,000	$3,753,154	$1,378,992	260	104	4	1/21/80	--
Buffalo, NY	Warehouse/industrial building renovation.	I	$400,000	$1,001,160	-0-	80	-0-	4	12/03/79	--
Buffalo, NY	Second mortgage for conversion of vacant schoolhouse into housing.	N	$348,000	$936,091	-0-	2	26	2	9/27/79	7/26/79
Buffalo, NY	Rehabilitate buildings for commercial, office and residential space; parking; restaurant, pedestrian mall.	N	$1,616,000	$4,494,685	-0-	60	32	2	10/01/79	8/09/79

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Corning, NY	Improve access and provide storm sewer for industrial building and CBD.	I	$1,793,000	$16,299,890	$950,000	250	-0-	1	5/07/79	5/10/79
Frankfort, NY	Land acquisition, street, water and sewer improvements for industrial expansion.	I	$171,255	$768,000	-0-	23	-0-	1	6/22/79	6/30/79
Hornell, NY	Land acquisition for road widening and water and sewer improvements.	I	$619,000	$5,340,165	-0-	62	-0-	1	4/23/79	3/30/79
Hudson, NY	Industrial plant construction and equipment purchase.	I	$124,600	$566,227	-0-	40	-0-	2	9/06/79	9/12/79
Johnson City, NY	Street resurfacing, twin lanes, and traffic signals for shopping center.	N	$569,131	$2,065,000	$10,898,000	165	-0-	3	11/28/79	--
Margaretville, NY	CBD parking lot, access road and pedestrian bridge construction; landscaping.	C	$114,444	$390,000	$72,100	21	-0-	2	9/24/79	10/11/79
Middletown, NY	Commercial rehabilitation subsidies.	C	$278,842	$900,000	$720,000	40	-0-	1	4/18/79	--
New Rochelle, NY	Site improvements for industrial facilities.	I	$979,139	$6,018,000	$415,698	173	-0-	2	7/03/79	7/12/79
New York, NY	Bottle manufacturing plant purchase.	I	$1,537,500	$5,239,190	$2,250,000	346	-0-	4	12/17/79	--
New York, NY	Second mortgage for commercial rehabilitation, demolition and construction.	N	$1,924,000	$5,948,135	-0-	227	2	2	7/24/74	8/02/79

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
New York, NY	CBD mall construction.	C	$2,100,000	$18,274,608	-0-	588	-0-	2	7/23/79	8/02/79
New York, NY	Property acquisition, and rehabilitation for retail stores and community space.	N	$472,500	$1,411,500	-0-	52	-0-	4	1/04/80	--
New York, NY	Site acquisition for acoustics firm.	N	$945,000	$2,971,186	-0-	135	-0-	4	1/04/80	--
New York, NY	Commercial rehabilitation.	C	$1,260,000	$6,521,053	-0-	273	-0-	3	12/21/79	--
New York, NY	Commercial construction loan.	C	$2,520,000	$17,090,923	-0-	554	-0-	3	--	--
New York, NY	Commercial construction.	I	$1,575,000	$4,954,652	-0-	185	-0-	3	12/21/79	--
New York, NY	Commercial rehabilitation.	N	$765,000	$2,277,460	-0-	270	-0-	1	12/28/79	--
Ogdensburg, NY	Second mortgage loan pool on low, moderate and middle-income housing.	N	$82,500	$250,000	$178,000	-0-	10	4	12/21/79	--
Oswego, NY	Hotel renovation.	C	$115,000	$445,790	$75,000	20	54	2	9/25/79	9/28/79
Rochester, NY	Residential mortgages for one and two-family structures.	N	$1,000,000	$5,172,075	-0-	-0-	300	4	1/09/80	--
Rochester, NY	Housing rehabilitation.	N	$1,000,000	$4,000,000	-0-	-0-	-0-	1	9/05/79	12/21/79
St. Johnsville, NY	Commercial water line construction.	I	$50,000	$266,063	$100,000	17	-0-	4	--	--
Salamanca, NY	Building renovation and expansion; equipment purchase.	I	$110,000	$422,500	-0-	108	-0-	1	6/22/79	7/27/79
Schenectady, NY	Housing rehabilitation.	N	$90,000	$285,000	-0-	-0-	30	2	8/28/79	9/10/79

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Schenectady,NY	Manufacturing equipment purchase.	I	$150,000	$551,107	-0-	42	-0-	4	11/28/79	--
Schenectady, NY	Off-site improvements for shopping center.	N	$300,000	$1,648,540	-0-	160	-0-	4	12/04/79	--
Troy, NY	Housing rehabilitation revolving fund and subsidy.	N	$852,000	$2,605,000	$1,283,600	-0-	3,600	1	7/24/79	8/03/79
Utica, NY	Site work and street improvements for shopping center expansion.	N	$1,635,000	$4,967,714	-0-	300	-0-	2	7/19/79	7/30/79
Wellsville, NY	Infrastructure for shopping center expansion.	C	$175,000	$1,138,328	-0-	40	-0-	1	9/06/79	9/28/79
Whitehall, NY	Water system improvements for fabricating plant.	I	$433,407	$2,315,000	-0-	140	-0-	4	--	--
North Carolina										
Asheville, NC	Second mortgages, interest subsidies and landscaping for commercial revitalization.	N	$388,823	$1,592,500	-0-	100	100	2	9/06/79	9/17/79
Wilmington, NC	Housing rehabilitation and ferryboat service.	C	$943,849	$4,492,921	$3,918,090	210	12	2	9/11/79	9/18/79
Spruce Pine, NC	Industrial equipment purchase.	I	$600,000	$11,980,000	-0-	350	-0-	3	9/27/79	10/11/79
North Dakota										
Cando, ND	Industrial site acquisition, streets, water and sewer construction, and second mortgage for plant construction.	I	$1,016,812	$6,918,127	-0-	159	-0-	2	7/23/79	7/26/79
Ohio										
Akron, OH	Mortgage loan for hotel development.	C	$1,000,000	$5,460,000	$1,200,000	168	-0-	3	--	--

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Akron, OH	Industrial streets, sidewalks, sewers, landscaping and riverway improvements.	I	$11,400,000	$70,000,000	$2,550,000	550	-0-	1	9/18/79	9/24/79
Ashtabula, OH	Street and parking improvements for commercial rehabilitation.	C	$277,850	$1,200,000	-0-	90	-0-	3	9/28/79	10/30/79
Athens, OH	Land acquisition for housing and commercial space.	N	$1,333,862	$5,180,000	$379,000	83	120	4	--	--
Bucyrus, OH	Industrial site acquisition.	I	$200,000	$815,502	-0-	130	-0-	1	10/30/79	11/02/79
Cleveland, OH	Second mortgage loan for industrial park site acquisition and clearance; business relocation.	N	$420,000	$2,432,000	-0-	40	-0-	2	8/20/79	8/22/79
Cleveland, OH	Commercial and industrail acquisition and rehabilitation; new road construction.	N	$1,090,000	$3,316,234	$200,000	124	145	1	6/25/79	6/27/79
Crestline, OH	Land acquisition; street, water and sewer construction.	C	$505,034	$1,418,000	-0-	14	-0-	2	9/17/79	9/27/79
Dayton, OH	Commercial and resitial renovation.	C	$3,180,000	$12,955,455	$2,200,000	869	56	1	1/31/79	1/24/79
Portsmouth, OH	Low/mod income housing construction.	N	$124,700	$400,000	$29,250	-0-	10	4	12/21/79	--
Youngstown, OH	Industrial land acquisition.	I	$750,000	$1,950,000	-0-	175	-0-	1	7/19/79	8/07/79
Youngstown, OH	Site acquisition and improvements for trucking operations.	I	$870,000	$3,621,364	-0-	84	-0-	4	11/16/79	--
Oklahoma										
Chandler, OK	Sewer construction for housing.	N	$558,846	$1,965,000	-0-	35	33	2	10/30/79	11/01/79

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Hartshorne, OK	Construction of machine shop addition and machinery purchase.	I	$700,000	$2,925,818	-0-	290	342	3	--	--
Okmulgee, OK	CBD street and sidewalk improvements, land-scaping.	C	$500,000	$2,202,200	$686,000	31	-0-	1	7/11/79	8/14/79
Stilwell, Ok	Water line and water storage tank construction.	I	$283,000	$1,050,000	-0-	100	-0-	1	7/12/79	8/06/79
Stilwell, OK	Water, sewer and gas system improvements for hatchery, mill and processing plant.	I	$3,888,000	$14,100,000	-0-	950	-0-	3	10/24/79	11/05/79
Pennsylvania										
Beaver County, PA	Land acquisition and industrial relocation.	I	$2,901,949	$22,900,000	-0-	353	15	1	5/25/79	5/31/79
Bradford, PA	Industrial land acquisition and clearance.	I	$299,000	$1,066,000	$6,340	23	-0-	2	9/11/79	10/31/79
Bradford, PA	Sewer rehabilitation and infrastructure for housing.	N	$563,510	$1,536,000	$601,219	-0-	52	2	10/30/79	1/14/80
Cressona, PA	Industrial plant acquisition and rehabilitation.	I	$3,370,000	$15,679,299	-0-	600	-0-	2	8/21/79	8/23/79
Glassport, PA	Industrial plant renovation.	I	$724,000	$1,902,000	-0-	340	-0-	1	6/06/79	6/21/79
Meadville, PA	Industrial park land acquisition; streets, water and sewer and other improvements.	N	$642,000	$2,625,000	-0-	105	-0-	2	7/03/79	7/05/79
Meyersdale, PA	Site improvements for manufacturing plant and revolving loan pool capitol.	N	$240,145	$783,382	-0-	140	-0-	2	8/16/79	8/28/79

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Pittsburgh, PA	Housing purchase, construction and rehabilitation; street lighting, parking and parks.	N	$8,100,000	$26,400,000	$2,065,000	144	2,400	1	9/11/79	9/18/79
Pittsburgh, PA	Purchase and renovation of shopping center.	N	$1,120,000	$2,800,000	$1,215,000	113	45	4	--	—
Pittsburgh, PA	Purchase and rehabilitation of sheltered workshop building.	N	$253,808	$634,520	$101,500	30	-0-	4	11/16/79	11/27/79
Reading, PA	Housing construction.	N	$700,000	$2,404,000	$562,500	117	667	1	--	--
Reading, PA	Property acquisition and office building construction.	C	$3,050,000	$17,439,750	$200,000	458	-0-	4	11/15/79	—
Scranton, PA	Reconstruction of fire-damaged housing, shops, offices and parking.	N	$437,500	$1,750,000	-0-	200	40	4	11/02/79	11/07/79
Sunbury, PA	Street, sidewalk and utility construction; railroad hump removal for nursing home.	C	$189,860	$1,516,680	-0-	80	-0-	4	1/03/80	1/08/80
Washington County, PA	Residential mortgage assistance.	I	$1,053,900	$3,458,000	-0-	-0-	100	3	11/28/79	--
Westmoreland County, PA	Renovation of glass manufacturing plant and equipment purchase.	I	$1,750,000	$10,019,625	$200,000	226	-0-	4	12/07/79	12/26/79
Wilkinsburg, PA	Site prepareration for office and housing.	N	$1,788,000	$1,788,000	-0-	100	476	3	12/17/79	1/14/80
Bayamon, PR	Hospital construction and remodeling.	N	$346,500	$1,200,000	-0-	11	365	1	5/02/79	5/11/79
Fajardo, PR	Hospital construction and remodeling.	N	$1,390,130	$4,260,862	-0-	90	-0-	4	--	—

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
South Carolina										
Charleston, SC	Historic land acquisition, street and public improvements, for commercial construction.	C	$1,890,820	$4,727,052	-0-	259	-0-	3	9/27/79	10/09/79
Ehrhardt, SC	Industrial land acquisition, water lines and interest subsidy.	I	$72,400	$181,004	-0-	100	-0-	1	5/02/79	5/24/79
York, SC	Water and sewer lines and elevated tank construction for industrial plant.	I	$525,000	$1,250,000	-0-	85	-0-	1	5/02/79	4/12/79
South Dakota										
Yankton, SD	Water system improvements for hospital and housing.	N	$1,357,341	$21,406,000	$77,775	76	6	3	10/24/79	10/08/79
Tennessee										
Algood, TN	Housing mortgage, sewer improvements and trash removal equipment.	N	$212,559	$3,132,000	-0-	54	-0-	2	8/30/79	9/06/79
Baxter, TN	Water line extension to processing plant.	I	$119,775	$1,800,000	-0-	50	-0-	1	5/02/79	4/23/79
Byrdstown, TN	Reconstruction of fire-damaged commercial buildings.	C	$40,000	$114,467	-0-	20	-0-	1	5/02/79	4/23/79
Chattanooga, TN	CBD street and utility relocation, public improvements and municipal parking garage.	C	$10,000,000	$83,000,000	-0-	322	-0-	4	12/07/79	12/14/79
Fayetteville, TN	Stie grading, rail spur and natural gas line for industrial building.	I	$516,000	$10,000,000	-0-	170	-0-	4	12/04/79	--

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City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Lexington, TN	Site acquisition and preparation, utilities.	I	$995,000	$3,981,000	-0-	325	-0-	3	9/25/79	9/27/79
Texas										
Elsa, TX	Site acquisition, street, water and sewer improvements for low/mod income housing.	N	$288,000	$1,060,848	-0-	-0-	65	3	11/28/79	12/19/79
Ennis, TX	Street paving, curbs, gutters, parking, pedestrian walkways.	C	$525,000	$2,568,731	$186,475	67	-0-	1	6/14/79	7/02/79
Fort Worth, TX	Land acquisition, parking garage, landscaping, plaza and street adjustments.	C	$6,002,000	$28,047,060	-0-	414	-0-	3	9/06/79	9/07/79
Fort Worth, TX	Curbs, gutters, sidewalks, street lighting and paving sewers, landscaping, utility adjustments for hotel, convention center, courthouse and other uses.	C	$3,000,000	$34,323,000	-0-	469	-0-	3	9/28/79	9/29/79
Frisco, TX	Water and sewer lines, roads and improvements for industry and housing.	I	$499,000	$2,045,000	-0-	36	24	3	11/28/79	--
Galveston, TX	Civic center renovation and parking garage construction.	C	$1,300,000	$6,098,501	$25,000	220	-0-	3	9/28/79	--
Hillsboro, TX	Road improvements for industrial park.	I	$429,000	$3,241,069	$1,713,245	300	-0-	3	9/18/79	9/20/79
Lamesa, TX	Water lines, paving and drainage improvements to mill and shopping center.	C	$623,100	$4,207,200	-0-	163	-0-	3	11/16/79	--
Luling, TX	Industrial building construction.	I	$410,000	$1,992,955	-0-	43	-0-	1	5/30/79	6/18/79

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Fiscal Year 1979 Urban Duvelopment Action Grant Awards

City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Mount Vernon, TX	Storage tank and water and sewer line extensions for industrial plant.	I	$765,600	$2,870,000	$50,000	176	22	1	6/20/79	6/27/79
Navasota, TX	Sewer line construction for shopping center.	N	$275,920	$2,146,000	-0-	140	-0-	2	11/16/79	—
Port Arthur, TX	Street and other public improvements and second mortgage for shopping mall.	C	$2,387,354	$15,926,387	$1,891,000	525	-0-	3	9/28/79	--
Ralls, TX	Housing construction.	N	$100,000	$600,000	$1,000	14	20	1	—	7/12/79
Seguin, TX	Acquisition of easements, construction of access road, water, sewer, electric and gas lines.	I	$174,290	$427,600	$750,000	37	-0-	1	5/18/79	6/06/79
Van Horn, TX	Road, water well, water line development and industrial loan.	I	$557,000	$1,770,408	-0-	22	-0-	2	7/31/79	8/01/79
Wellington, TX	Manufacturing facility mortgage.	I	$60,000	$191,469	-0-	9	-0-	2	10/24/79	7/02/79
Vermont										
Winooski, VT	Historic mill rehabilitation for commercial use and housing.	N	$1,621,000	$4,700,785	-0-	50	150	1	9/28/79	11/05/79
Winooski, VT	Purchase and renovation of abandoned mill for commercial and office use.	N	$721,000	$2,581,000	-0-	275	-0-	3	9/27/79	—
Virginia										
Lynchburg, VA	Land acquisition, clearance construction of office building hotel/convention center, health club, parking; rehabilitation loan pool.	C	$4,593,467	$25,751,685	$2,981,600	409	-0-	4	1/20/80	--

Appendix
Fiscal Year 1979 Urban Development Action Grant Awards

City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Norfolk, VA	Second mortgage for construction of postal service facility.	N	$2,700,000	$9,000,000	$240,000	184	-0-	2	9/19/79	8/16/79
Norfolk, VA	Construction of streets, parking and utility improvements; landscaping, boating facilities.	N	$1,062,000	$6,373,513	$3,861,650	16	90	2	7/20/79	9/04/79
Richmond, VA	Historic hotel renovation.	C	$4,298,100	$14,433,000	-0-	320	-0-	4	11/01/79	--
Roanoke, VA	Parking garage construction.	C	$4,211,700	$21,058,805	$525,000	563	-0-	4	11/16/79	--
Washington										
Aberdeen, WA	Off-site road improvements for shopping mall construction and public housing.	C	$500,000	$11,050,000	-0-	450	-0-	4	12/07/79	--
Seattle, WA	Building acquisition, renovation, site improvements; relocation for commercial and public museum use.	C	$5,963,000	$35,167,814	$11,790,000	670	-0-	2	9/28/79	11/09/79
Spokane, WA	Land acquisition, site improvements and housing construction.	N	$1,079,000	$2,713,000	-0-	120	43	2	7/31/79	9/06/79
West Virginia										
Clarksburg, WV	Industrial plant acquisition and modernization; equipment purchase.	I	$4,000,000	$15,900,000	$4,000,000	1,013	-0-	2	7/02/79	7/05/79
Follansbee, WV	Water line extension for department store and low/mod housing.	C	$200,000	$994,908	-0-	60	-0-	4	12/28/79	—
Huntington, WV	Sanitary sewer line constructon for office building.	I	$927,000	$9,000,000	-0-	420	-0-	1	4/18/79	4/24/79

Appendix
Fiscal Year 1979 Urban Development Action Grant Awards

City & State	Project Description	Project Type	UDAG Grant Dollars	Private Dollars	Other Public Dollars	Estimated Total New Jobs	Estimated Housing Unit	Funding Quarter	HUD Contract Execution Date	Grantee Contract Execution Date
Philippi, WV	CBD parking facility construction.	C	$421,000	$1,325,000	$60,000	25	-0-	2	7/12/79	8/01/79
Wisconsin										
Augusta, WI	Commercial rehabilitation.	C	$60,600	$350,000	-0-	16	-0-	3	9/28/79	10/04/79
Clear Lake, WI	Industrial water main and elevated water tank construction.	I	$150,000	$432,000	$238,513	28	-0-	2	6/14/79	7/18/79
Ladysmith, WI	Industrial water and sewer line construction, land acquisition and relocation.	I	$213,310	$771,000	$21,762	77	-0-	3	9/17/79	9/27/79
Oshkosh, WI	Street, water and sewer improvements for amusement park.	C	$260,200	$3,068,000	-0-	173	-0-	3	11/16/79	--
Wausau, WI	Land acquisition for enclosed shopping mall.	C	$6,500,000	$30,000,000	$10,909,000	514	-0-	4	1/07/80	--
Wisconsin Rapids, WI	Land acquisition, clearance, demolition and relocations for river front development.	C	$385,000	$2,238,000	$1,767,000	61	-0-	2	8/28/79	9/17/79

APPENDIX C

THE 235 GRANT AGREEMENT SAMPLE

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THE 235 GRANT AGREEMENT SAMPLE

As of the end of the FY 1979 funding cycle, 317 of the 521 projects receiving preliminary awards had reached the stage in the Action Grant process (described in Appendix A) where a grant agreement had been executed by both HUD and the grantee. The data on project characteristics used in Chapter III and V are derived from a sample of 235 of the 317 projects with signed grant agreements. 1/

The ommission of approximately 25 percent of the qualifying projects is accounted for by two factors. First, projects for which quarterly progress reports for the fourth quarter of FY 1979 had not been received in a timely fashion had to be eliminated. Second, Action Grant files are constantly in use by program administrators. Since communication and service took precedence over data compilation, a number of project files were unavailable for coding. Given the size of the sample (75 percent), a 100 percent sample would not likely have produced results greatly varied from those presented.

Table C-1 shows the comparison by city and project types of the 235 project grant agreement sample with the total of all 521 projects receiving preliminary awards through the FY 1979 funding cycle. The distribution by both city and project types is closely comparable.

Metropolitan cities in the 235 project sample account for 47 percent of the projects compared to 53 percent for all 521 projects, while small cities account for 53 percent and 47 percent, respectively, of the two project groups. The difference in both city categories is 6 percentage points.

By project type, the 235 project sample has a somewhat greater percentage of industrial projects than the 521 project total (42 and 36) and slightly smaller percentages for both commercial projects (29 and 34) and neighborhood projects (29 and 31).

The same pattern is found within metropolitan cities, where the 235 project sample has a higher percentage of industrial projects (31 compared to 22) and a somewhat lower percentage of commercial projects (33 compared to 40), with neighborhood projects showing little difference (36 compared to 38).

In small cities the distribution of all three project types is very similar in both the grant agreement sample and for all projects.

1/ The data file for the sample of 235 projects was prepared by Abt Associates, Inc. and Dalton, Dalton, Newport, Inc.

TABLE C-1

COMPARISON OF THE 235 GRANT AGREEMENT SAMPLE WITH ALL 521 PROJECTS RECEIVING PRELIMINARY APPLICATION APPROVAL BY CITY AND PROJECT TYPES

	521 Projects		235 Projects	
City/Project Type	Number	Percent	Number	Percent
Metropolitan Cities				
Industrial	61	22.0	34	30.9
Commercial	112	40.4	36	32.7
Neighborhood	104	37.6	40	36.4
Total	277 (53.2%)	100.0%	110 (46.8%)	100.0%
Small Cities				
Industrial	124	50.8	65	52.0
Commercial	64	26.2	33	26.4
Neighborhood	56	23.0	27	21.6
Total	244 (46.8%)	100.0%	125 (52.2%)	100.0%
All Cities				
Industrial	185	35.5	99	42.1
Commercial	176	33.8	69	29.4
Neighborhood	160	30.7	67	28.5
Total	521	100.0%	235	100.0%

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